

## APPENDIX A: 2018-19 CHARTER SCHOOL ANNUAL REPORT

PART 1: SCHOOL INFORMATION AND EXECUTIVE SUMMARY	
Name of Charter School:	Year School Opened:
Capital Preparatory Harbor School	2015
Street Address:	City/Zip Code:
777 Main Street	Bridgeport, CT 06604
School Director:	School Director Contact Information:
Rich Beganski	<a href="mailto:rich.beganski@wearecapitalprep.org">rich.beganski@wearecapitalprep.org</a> / 475-422-5900
Grades Authorized to Serve in 2018-19:	Charter Term:
K-12	2015-2020
<p>1. <b>School Performance Best Practices:</b> In 250 words or less, summarize a successful school model resulting in strong student outcomes and a positive school climate during the 2018-19 school year. Describe the strategy and its impact on the school referencing quantitative data. Provide evidence of collaboration with local school districts in this area, as appropriate.</p>	
<p><b>Unique model:</b> Capital Preparatory Harbor School is a unique K-12, year round college preparatory social justice academic experience that prepares students to become agents of change while developing applicable college and career readiness skills. The model has been curated to serve students from communities like Bridgeport and the surrounding areas. Since the 2015 inception, 100% of graduates have been accepted to four-year colleges and universities.</p> <p>Unique elements of the model include:</p> <ul style="list-style-type: none"> <li>● A classic college preparatory experience as evidenced by a full complement of high level high school courses and dual enrollment in college;</li> <li>● A strong and supportive school culture and a focus on social justice;</li> <li>● A robust daily advisory program;</li> <li>● A two sport mandate that increases physical fitness requirements from 240 hours in high school to almost 2,500 hours during that same four year period; and,</li> <li>● Engagement from and within the local community through students’ agency which is evident in their study and community development strategies.</li> </ul> <p>Some elements can be seen; others are embedded in Capital Prep Harbor’s operations. Capital Prep Harbor distinguishes itself among charter schools for its growth strategy. Most Connecticut charters begin with two grades, typically kindergarten and first. They then increase by a grade a year. Capital Prep Harbor opened in 2015 with 249 students in grades 6 to 12. In year three, the school expanded to welcome children in grades kindergarten to 5. This strategy extended opportunities to children in ‘off grades,’ and requires the school to meet each child where they are. The commitment is to provide children at all grades access to a high quality education.</p> <p>Accepting students in all grades, throughout the year, ensures that Capital Prep Harbor operates like a neighborhood Bridgeport Public School. Operating under the same conditions as a Bridgeport Public School, while outperforming the district in virtually every meaningful category of measurement, makes Capital Prep’s application of its social justice mission unique among charters as well as other schools of choice.</p>	

## PART 2: SCHOOL PERFORMANCE

2. **School Goals:** State the school’s mission statement. Provide the school’s mission-specific, measurable goals. Analyze school progress toward these goals, providing data as appropriate. Add/Remove rows, as necessary.

### Mission Statement:

The mission of Capital Preparatory Schools is to provide historically disadvantaged students with the college and career readiness skills needed to become responsible and engaged citizens for social justice.

Capital Prep strives to ensure that all students are able to do so by offering a rigorous college preparatory curriculum, an eclectic variety of athletic programs, project-based learning, and multi-pronged faculty support.

### Goal Statement:

### Evidence of Progress toward Goal:

All students will demonstrate accelerated growth in math skills by 1.5 year as measured by the NWEA MAP in math.

2018-2019

MATH	Goal Met	% Growth
Lower (grades 1-6)	No	8%
Upper (grades 7-12)	Yes	3%

All students will demonstrate accelerated growth in reading skills by 1.5 years as measured by NWEA MAP in ELA.

2018-2019

ELA	Goal Met	% Growth
Lower (grades 1-6)	Yes	7%
Upper (grades 7-12)	Yes	3%

College ready: 100% of Capital Prep seniors will be accepted and attend a 4 year college or university

100% of Capital Prep graduates from the class of 2019 were accepted to a 4 year college and/or university.

3. **Student Achievement:** Data summarizing school performance and academic achievement from the last three years is provided below. Please review data evidencing student growth and progress toward closing achievement gaps.

Performance Metric	*2015-16:	*2016-17:	*2017-18:
ELA Performance Index – All Students	53.0%	59.6%	59.6%
ELA Performance Index – High Needs Students	50.3%	57.5%	57.5%
Math Performance Index – All Students	41.0%	52.1%	52.1%
Math Performance Index – High Needs Students	39.6%	49.2%	50.3%
Science Performance Index – All Students	40.8%	47.3%	N/A
Science Performance Index – High Needs Students	40.3%	45.5%	N/A

\*Source: CSDE analysis based on district submitted and certified data.

ELA Avg. Percentage of Growth Target Achieved – All Students	56.8%	73.9%	62.1%
ELA Avg. Percentage of Growth Target Achieved – High Needs Students	52.1%	73.1%	60.1%
Math Avg. Percentage of Growth Target Achieved – All Students	31.6%	90.3%	63.4%
Math Avg. Percentage of Growth Target Achieved – High Needs Students	31.8%	84.9%	66.3%
Average daily attendance rate:	93.1%	95.3%	96.1%
Chronic absenteeism rate:	13.7%	9.2%	6.4%
Overall suspension rate: (% of students with 1+ suspension/ expulsion)	23.3%	26.1%	15.5%
Number of in-school suspensions:	0	0	0
Number of out-of-school suspensions:	93	142	107
Number of expulsions:	*	0	*
Four Year Adjusted Cohort Graduation Rate (if applicable):	N/A	N/A	N/A
Six Year Adjusted Cohort Graduation Rate (if applicable)	N/A	N/A	N/A
Accountability Index charter school:	43.8%	62.9%	59.1%
Accountability Index state:	73.1%	73.2%	74.9%

**4. Legal compliance Best Practices:** In 250 words or less, summarize methods illustrating that the school is acting in compliance with applicable laws and regulations (e.g. support for students with disabilities, English learners, employee and student rights). Describe the areas of operation including policies and procedures that ensure compliance with applicable laws and regulations. Include quantitative and qualitative information associated with compliance. Provide evidence of collaboration with local school districts in this area, as appropriate.

Capital Preparatory Harbor Charter School is committed to compliance with all applicable laws and regulations. The Board has adopted and revised its Scholar and Family Handbook and Employee Handbook. On inception, it adopted Fiscal Policies and Procedures. To ensure compliance with applicable laws and regulations, it regularly seeks the support of legal counsel and consultants, both in the charter management organization and outside.

With regard to students with special needs, during the 2018-2019 year, the Assistant Superintendent for Student Services engaged with local education officials to best meet the legal rights of students.

**PART 3: STEWARDSHIP, GOVERNANCE, AND MANAGEMENT**

**5. Financial Documents:** As required by C.G.S. § 10-66cc(b)(2) and 10-66pp, the charter school and if applicable, the charter school management organization of the state or local charter school, (1) shall submit FY 2017-18 certified audit statements, including the statement of activities (showing all revenues from public and private sources, expenditures, and net operating gain/loss), balance sheet and statement of cash flows. (2) The charter school and if applicable, the charter school management organization of the state or local charter school, shall submit a complete copy of the most recently completed Internal Revenue Service form 990, including all parts and schedules, **other than Schedule B** of such form. (3) Provide the FY 2018-19 budget. (4) Provide a FY 2019-20 board-approved budget.

**6. Financial Condition:** Provide the following financial data for FY 2018-19

Total margin (net income/total revenue):	<b>.06</b>
Debt to asset ratio (total liabilities/total assets):	<b>.66</b>
Debt service coverage ratio (net income+depreciation+interest expense)/ (principal+interest payments):	<b>n/a</b>
Current asset ratio (current assets/current liabilities):	<b>1.2</b>
Days of (unrestricted cash/((total expenditures-depreciation)/365)):	<b>42.6</b>
Cash flow (change in cash balance):	<b>\$492,855</b>

**7. Governing Board:** Consistent with C.G.S. § 10-66bb(d)(3)(A), provide the following information for all governing board members. The governing board should include teachers and parents and guardians of students enrolled in the school, and the chairperson of the local or regional board of education of the town in which the charter school is located and which has jurisdiction over a school that resembles the approximate grade configuration of the charter school, or the designee of such chairperson, provided such designee is a member of the board of education or the superintendent of schools for the school district, or the superintendents designee.

Name:	Occupation:	Board Role/Term:	Mailing/Email:	Background Check:
Richardo Griffith	Owner – Godly Hands Construction	Chair & Parent	<a href="mailto:richardogriffith@capitalprepharbor.org">richardogriffith@capitalprepharbor.org</a>	X Yes <input type="checkbox"/> No
Robert Morton	Morton’s Mortuary	Vice Chair	<a href="mailto:Robert.morton@capitalprepharbor.org">Robert.morton@capitalprepharbor.org</a>	X Yes <input type="checkbox"/> No
Samaris Rose Smith	Community and School Partner Organizer - Pace Strategies	Secretary & Parent	<a href="mailto:Samaris.Rose@capitalprepharbor.org">Samaris.Rose@capitalprepharbor.org</a>	X Yes <input type="checkbox"/> No
Kenneth Moales	Senior Pastor, Cathedral of the Holy Spirit	Member	<a href="mailto:Kenneth.Moales@capitalprepharbor.org">Kenneth.Moales@capitalprepharbor.org</a>	X Yes <input type="checkbox"/> No
Jessica Martinez	Owner, Restored Visions LLC, Community Organizer, Non-profit consultant	Bridgeport Board Member	<a href="mailto:Jessica.Martinez@capitalprepharbor.org">Jessica.Martinez@capitalprepharbor.org</a>	X Yes <input type="checkbox"/> No
Calvin Jones	Branch Manager, Vice President People’s United Bank & Assistant Director, the Village Initiative Project	Treasurer & Parent	<a href="mailto:Calvin.Jones@peoples.org">Calvin.Jones@peoples.org</a>	X Yes <input type="checkbox"/> No
Taylor Schneider	Teacher at Capital Preparatory Harbor School	Teacher	<a href="mailto:Taylor.Schneider@capitalprepharbor.org">Taylor.Schneider@capitalprepharbor.org</a>	X Yes <input type="checkbox"/> No
Nalah Sullivan/Kevin Honorio	Student	Student		<input type="checkbox"/> Yes <input type="checkbox"/> No

**8. Renewal Terms and Other Issues:** Provide a progress update on terms established in the charter school’s most recent renewal; summarize actions taken and progress data to substantiate efforts to address such terms. Provide an update on how the charter school is addressing or plans to address the issues noted. The chart below is pre-populated to include terms documented in the school’s last renewal resolution or issues identified by the CSDE.

Standard/Indicator:	Term or Condition:	Progress Update:
<p>1.1 Academic Achievement</p>	<p>While some of the school’s Performance Index rates (1a-1d) and Average Percentage Growth Targets Achieved (2a.-2d.) in the 2017-18 Next Generation Accountability Report out performed Bridgeport, the host district, some of the school’s Performance Index rates (1a-1d) also slipped below the state average.</p>	<p>In 2018-2019, Capital Prep’s Smarter Balanced results show a 44% increase in students who met or exceeded the benchmark over our 2017-2018 scores in math. In addition, the SAT scores have shown an increase over the past three years of 13% in ELA and 5% in math. Over that same period, state averages have decreased in both subject areas. While overall scores are still lower than state averages, the school is making steady improvements in both subject areas.</p>
<p>3.5 School Culture and Climate</p>	<p>For the 2016-17 school year the school’s suspension rate was 26.1%, whereas the state average was at 6.7%.</p> <p>Despite the noticeable decrease in the school’s suspension rate for the 2017-18 school year, 15.5%, it remains above the state average of 6.8%.</p>	<p>In 2018-2019, the rate decreased to 13.6%. In fact, the total number of suspensions decreased in real numbers from 2016-2017 (142) to 2018-2019 (136) despite increasing student enrollment by 380 in that period; the school’s enrollment was 254 in 2016-2017 and 634 in 2018-2019..</p> <p>The suspension rate has been steadily decreasing. Efforts continue to drive improvement while also upholding critically important school policies. Over the past three years there has been nearly a 50% decrease in suspensions. The decline in rates was accomplished even while the school was adding new students during the major K-5 expansion from 2016-17 to 2017-18, which reflects the intentionality of staff making meaningful adjustments. These results were made possible because of specific strategies the school deployed after self-reflection and communication with SDE. The school and SDE have been working together to address the issue.</p> <p>Capital Prep Harbor has participated in each state-sponsored symposium on</p>

		<p>discipline as recommended by SDE officials. Leadership and staff are attending restorative justice practices trainings and have worked to embed these practices into the disciplinary process at the school. A Student Services Coordinator was also hired to focus on programming for students to help keep behavior issues from escalating to the point where discipline is necessary.</p>
<p>4.5 Teacher/Staff Credentials</p>	<p>As of May 2019, the Bureau of Educator Standards and Certification reported staff identified in the Educator Data System as being out of compliance for the 2018-19 school year. It is the responsibility of the school to take steps to make certain that 100% of the staff holds appropriate authorizations for their positions.</p>	<p>The School has been actively pursuing compliance on certification through hiring, supporting current staff, monitoring progress, and creating job incentives.</p> <p>Specifically, each individual who is not certified has been placed on an Individualized Certification Plan (ICP) which is a commitment to gain certification through specific steps and deadlines. Leadership is actively monitoring the same and asking teachers to modify the plan where needed and recommit. For all new hires, the school is using partners such as TFA and Relay to maximize supports for certification. Additionally, the Board and leadership are strongly incentivizing staff to pursue certification and disincentivizing remaining non-certified. When hiring, if unable to identify certified candidates, appropriate candidates are forwarded to the SDE to determine eligibility for DSAPs and CSEPs or long-term substitute waivers.</p>

**9. Stewardship, Governance, and Management Best Practices:** In 250 words or less, summarize processes established in the areas of **stewardship, governance, and management** (e.g., financial management, reporting compliance, sustaining financial viability, and school operations), to ensure the school is financially viable and organizationally healthy and strong. Describe the strategy and its impact on the school referencing quantitative and qualitative data. Provide evidence of collaboration with local school districts in this area, as appropriate.



Capital Prep Harbor has a strong and stable operation and a clearly defined and properly functioning relationship with its partner, CPS. The school is financially viable and has a Board of Directors and leadership team committed to self-reflection, constant improvement, and long-term success.

CPS added financial management to its internal structure (it had previously been outsourced) in the winter of 2018, in part, to bring financial expertise closer and more accessible to the schools. This dedicated and experienced finance team vastly improves the school's ability to identify threats and opportunities and engage in purposeful planning.

In support of fiscal and operational sustainability in both the near and long-term, a planning process to design and develop the "Capital Prep model" was completed. This planning process served two primary purposes: (1) identifying the 'essential ingredients' necessary for schools and scholars to thrive; and, (2) understanding the cost of delivery to get there. This resulting model serves as the blueprint in focusing on what matters, guides the annual budget development process, and supports fundraising goals. It also demonstrates prudent fiscal and operational planning.

The Board of Directors of Capital Prep Harbor is well-positioned to continue to provide responsible oversight. The Board of Directors and the leadership team have worked together to ensure data is a driving force in decision-making and oversight. To that end, a data dashboard and rubrics of key performance indicators such as student enrollment, academics, student discipline, operations and finance have been developed. Each month the Board of Directors receives updates on these key performance indicators, in addition to monthly financial reports.

**PART 4: STUDENT POPULATION**

**10. Enrollment and Demographic Data:** Provide 2018-19 student demographic and enrollment information.

Grades Served:	K-12	Student Enrollment:	634
% Free/Reduced-Price Lunch:	438/634	% Black:	463/634
% Special Education:	71/634	% Hispanic:	167/634
% Limited English Proficiency:	4/634	% Caucasian:	1/634

**2018-19 Enrollment by Grade Level:**

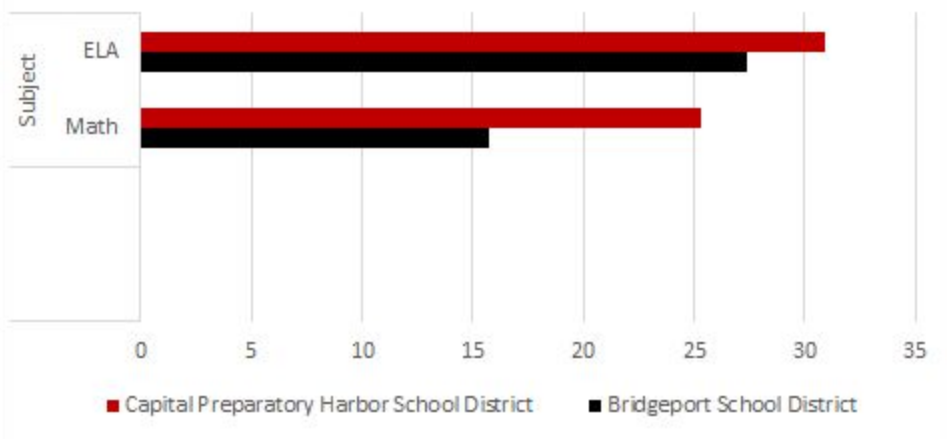
PK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
0	76	52	43	47	46	54	59	44	46	37	58	39	33	<b>634</b>

**11. Enrollment Efforts:** Summarize the school’s efforts to attract, enroll, and retain a diverse and representative student population, including minority students, low-income students, English learners, and students with disabilities.

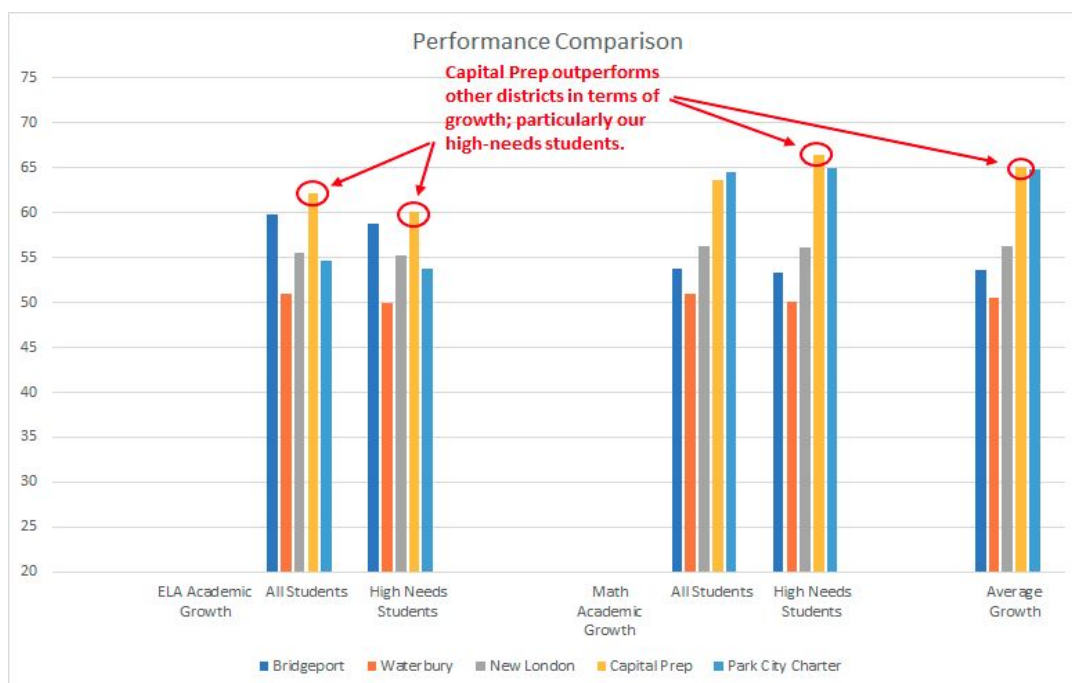
In 2018-19, Capital Prep Harbor enrolled a student body that is nearly 100% Black/African American or Hispanic/Latino, a rate higher than the Bridgeport Public Schools average. Capital Prep Harbor had a lower rate than the BPS district wide average by 7 percentage points for students with disabilities, but a higher percentage of enrollment compared to 20% of the district’s individual traditional and charter schools. The average district-wide enrollment for children eligible for free- and reduced-price lunch (FRPL) at the BPS was four percentage points higher, but the school had a higher percentage than 30% of the individual district and charter schools across the city. It is often difficult to be certain all eligible families complete FRPL paperwork; thus, the percentage of students enrolled who reside in a lower-income household is likely higher than the data reflects. In July 2019, the school was approved by the SDE to provide meals to all students through the Community Eligibility Provision.

Each year the state releases student SBAC data for the high needs subgroups. The chart below shows performance against the Bridgeport Public Schools for the most recent year available.

### Level 2018-2019 Smarter Balanced % Met or Exceeded



The graduation rate and college acceptance rate speak volumes to the support and educational opportunities offered at Capital Prep Harbor, and is among the strongest possible evidence that students are prepared for college and career. In fact, preparing students for what happens after high school and ensuring they graduate just might be the most important indicators of a school’s success. Capital Prep Harbor students take the SATs and persevere in classes through graduation, with very rare exceptions. The most recent growth data available for Connecticut’s Next Gen Accountability System also shows the School’s success with all students, including those considered “high needs.”



**12. Waitlist Data:** Provide waitlist totals below, illustrating demand and community support for the school.

2018-19 Waitlist:	2019-20 Waitlist:
863 (as of date of lottery)	890 (as of date of lottery)

**13. Student Population Best Practice:** In 250 words or less, summarize systems used in the area of student population (e.g., family and community engagement, recruitment processes, retention strategies), to ensure the school promotes equity by effectively attracting, enrolling and retaining students particularly among targeted populations. Include a brief narrative on the school’s unique model and describe the strategy and its impact on the school referencing quantitative and qualitative data. Provide evidence of collaboration with local school districts in this area, as appropriate.

The school values meaningful parental participation in their students’ learning. Capital Prep Harbor understands that to sustain parental involvement, the school must engage them through a positive and thoughtful strategy. To this end, the school will build upon successful activities such as:

- Increasing family engagement through periodic social justice initiatives that are authentic to Bridgeport. For example, in the fall of 2018, students sponsored a food drive, a Thanksgiving dinner and toy drive for the local community.
- Assign professional accountability to advisors that will ensure that they garner 100% parent participation in their student led conferences, by making it part of their evaluation; and,

Robust family and student engagement activities also help to retain students. Parent and family activities are frequently held at both the lower and upper schools. In 2018-19, more than four dozen events were held over the course of the year, in addition to student led conferences. For example, at the Upper School programming such as “Her Story” is a popular event for women and girls. The Lower school hosted family nights based on seasonal holidays, held regular concerts, offered academically-themed events, and hosted general engagement meetings. Communication is another important element of engagement. A weekly “Shark Bites” newsletter is disseminated at each campus to share important information with parents.

## APPENDIX B: 2020-22 TWO YEAR PRELIMINARY ENROLLMENT REQUEST

**Directions:** On an annual basis, charter schools must submit an enrollment request for the following school year. Consistent with C.G.S. § 10-66bb(c), the State Board of Education considers enrollment requests in the context of each school’s charter and record of student achievement.

C.G.S. § 10-66bb(c)(2) places an enrollment cap on the number of students that a state charter school may enroll. However, charter schools with a demonstrated record of achievement may seek a waiver. If the school submitted 2020-21 and enrollment request 2021-22 requires an enrollment waiver, please specify that below.

1. Complete the table below providing the school’s enrollment and growth history. Submit an enrollment request and growth projections for the upcoming school year.

School Year:	Actual Enrollment:														
	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
2017-18	0	32	23	22	22	25	43	46	39	39	60	33	27	28	439
2018-19	0	76	52	43	47	46	54	59	44	46	37	58	39	33	634
2019-20	0	81	71	72	60	56	60	61	54	54	56	41	55	40	761
School Year:	2020-2022 Two Year Enrollment Requests:														
	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	Total
2020-21		50	88	75	50	50	50	50	75	58	50	50	50	57	778
2021-22		88	50	88	75	75	50	90	50	75	80	50	50	50	871

2. Based on the requests entered above, is the school seeking a waiver to the enrollment cap described in C.G.S. § 10-66bb(c)(2), no state charter school shall enroll more than two hundred fifty students, or in the case of a kindergarten to grade eight, inclusive, school, more than three hundred students, or twenty-five per cent of the enrollment of the school district in which the state charter school is to be located, whichever is less.

X Yes  No

3. Provide a rationale for the enrollment request(s), by school year, including a synopsis of all relevant assumptions.

The school seeks to meet Bridgeport’s demand for enrollment in coming years by increasing the number of students its serves.

Capital Prep Harbor has been honored to serve Bridgeport and the local communities. The families and community have been steadfast in their support and desire for the school to continue to support and grow to meet community needs.

For the 2019-2020 school year, 1,194 children applied to Capital Prep. Growth is essential to meet this consistent community demand.

The school’s Board of Directors and leadership team members have spent the past four years discussing strategies to expand access to Capital Prep Harbor with the local legislative contingent, members of the Bridgeport Board of Education and, most recently, Bridgeport’s Acting Superintendent. Growth is a thoughtful response to unmet demand from the community for access to Capital Prep Harbor’s year round college preparatory education with a focus on social justice.

Capital Prep Harbor is at capacity. Next year, estimates project the school will accept fewer than 70 students across grades K-12. If the current trend continues, over 1,200 children will apply during the first year of the renewal term. To leave so many disappointed families is inconsistent with the school’s mission.

4. Summarize the school's plans to successfully expand and accommodate the needs of the students served (e.g., programming, staffing, facilities, and class size).

The Capital Prep model is designed and can easily accommodate a large student body. With additional students, programming and supports can be expanded to provide even more students access to our robust programming and support.

If the state grants the expansion of seats to allow the school to meet demand, the school will finalize plans and prepare to attain additional space. The Board and Capital Prep leadership have explored various options relative to facility expansion but cannot finalize such plans until such increased enrollment is approved by the State Board.

The school would ideally expand the footprint at the Mill Hill location to include unused spaces that are available for rent and rehabilitation.

## APPENDIX D: STATEMENT OF ASSURANCES

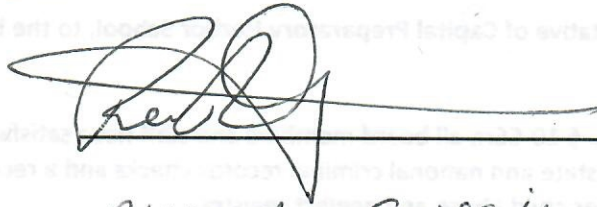
It is imperative that charter schools – as with all other public schools – adopt and uphold the highest ethical and legal standards while delivering excellent academic opportunities for students and their families.

As the authorized representative of **Capital Preparatory Harbor School**, to the best of my knowledge, I affirm that:

1. Pursuant to C.G.S.A. § 10-66rr, all board members and staff have satisfactorily completed background checks, including a state and national criminal records checks and a record check of the Department of Children and Families child abuse and neglect registry.
2. Pursuant to C.G.S.A. § 10-66rr, if applicable, all charter school management organization (CMO) governing board members and staff members, who performs a service involving direct student contact have satisfactorily completed background checks, as described in (1).
3. All contractors doing business with the school, who performs a service involving direct student contact have satisfactorily completed background checks, as described in (1).
4. Records of any and all background checks described above, are on file at **Capital Preparatory Harbor School** and available for random audit by the Connecticut State Department of Education (CSDE).
5. Pursuant to C.G.S.A. § 10-6600, **Capital Preparatory Harbor School** Governing Board has adopted written anti-nepotism and conflict of interest policies consistent with state law and best practices in nonprofit corporate governance, and pursuant to 10-66bb(d), that no member or employee of the Governing Board has a personal or financial interest in any asset, real or personal, of the charter school.
6. Pursuant to C.G.S.A. § 10-6600, each member of a governing council of a state or local charter school shall complete training related to charter school governing council responsibilities and best practices at least once during the term of the charter, and that no board member of **Capital Preparatory Harbor School** serves on the board of another charter school or CMO.
7. All public funds received by **Capital Preparatory Harbor School** have been, or are being, expended prudently and in a manner required by law.
8. All Governing Board meetings are open and accessible to the public, and that **Capital Preparatory Harbor School** has posted, and continues to post, on any Internet website that the Governing Board operates, the schedule, agenda, and minutes of each Governing Board meeting, including any meeting of a subcommittee of the Governing Board.
9. **Capital Preparatory Harbor School** does not discriminate in any employment practice, education program, or educational activity on the basis of race, color, religious creed, sex, age, national origin, ancestry, marital status, sexual orientation, gender identity or expression, disability, or any other basis prohibited by Connecticut state and/or federal nondiscrimination laws.
10. **Capital Preparatory Harbor School** does not operate any school location outside the scope of its approved charter or subsequent State Board of Education approval.

By signing this Statement of Assurances on behalf of the Governing Board of **Capital Preparatory Harbor School**, I acknowledge that I understand the terms contained herein and affirm the validity of each statement to the best of my knowledge. I further understand that **Capital Preparatory Harbor School** may be subject to random audit by the CSDE to verify these statements.

**Signature:**



**Name of Board Chairperson:**

Richardo Griffith

**Date:**

9-24-2019





CAPITAL PREPARATORY HARBOR  
SCHOOL FY 2018-19

# Recommended Budget

Board of Trustees Budget Documents  
June 26, 2018



**Recommended Budget  
FY 2018-19**

	2017-18	2018-19		
	Budget	FTE	Budget	Change
<b>REVENUE</b>				
State and Local Funding				
4001 Per Pupil General Education	\$ 4,895,000	630	\$ 6,930,000	\$ 2,035,000
4002 Special Education	180,000	107	390,550	210,550
<b>Total State and Local Funding</b>	<b>\$ 5,075,000</b>	<b>737</b>	<b>7,320,550</b>	<b>2,245,550</b>
Federal Funding				
4102 Title I	\$ 89,000		\$ 132,200	\$ 43,200
4103 Title II A	2,700		26,354	23,654
4104 Title V	-		-	-
4106 E-Rate	45,971		69,831	23,860
4107 Federal Grants - NSLP/SBP	137,060		212,801	75,741
<b>Total Federal Funding</b>	<b>\$ 274,731</b>		<b>441,186</b>	<b>166,455</b>
Contributions, Donations and Fundraising				
4202 Contributions and Donations (Unrestricted)	\$ 10,000		\$ -	\$ (10,000)
4301 Fundraising	-		52,066	52,066
<b>Total Other Funding</b>	<b>\$ 10,000</b>		<b>52,066</b>	<b>\$ 42,066</b>
<b>TOTAL REVENUE</b>	<b>\$ 5,359,731</b>		<b>\$ 7,813,802</b>	<b>\$ 2,454,071</b>





**Recommended Budget  
FY 2018-19**

	2017-18	2018-19		
	Budget	FTE	Budget	Change
<b>EXPENDITURES</b>				
<b>Personnel</b>				
School Administrative Personnel				
5001 Principals	\$ 467,222	2.0	\$ 251,518	\$ (215,704)
5002 Asst Principals and Deans	-	2.0	217,270	217,270
5003 Dir Operations and Business		1.0	97,718	97,718
5004 Office Administrative Support	181,160	2.0	90,176	(90,984)
<b>Total School Administrative Personnel</b>	<b>\$ 648,382</b>	<b>7.0</b>	<b>656,682</b>	<b>\$ 8,300</b>
Instructional Personnel				
5101 Illuminators - Regular	\$ 1,637,943	32.0	1,748,168	\$ 110,224
5102 Illuminators - Special Education		4.0	256,645	256,645
5103 Illuminators - Subs				-
5104 Illuminators - Junior		4.0	141,050	141,050
5105 Illuminators - Specials		4.0	212,383	212,383
5106 Classroom Aides and Paras	10,500	4.0	140,000	129,500
5107 Illuminators - Pupil Services	-	1.0	42,000	42,000
5251 Instructional Stipends	-		25,000	25,000
<b>Total Instructional Personnel</b>	<b>\$ 1,648,443</b>	<b>49.0</b>	<b>2,565,246</b>	<b>916,802</b>
Non-Instructional Personnel				
5203 Facilities Staff	\$ 105,060	1.0	\$ 61,000	\$ (44,060)
5204 Food Services Staff		2.0	147,666	147,666
5205 Security	53,560	1.0	28,411	(25,149)
5206 Other NIS	151,154		9,000	(142,154)
5207 Athletic Directors and Coaches	75,000		87,400	12,400
5208 Nurse	57,165	1.0	61,000	3,835
<b>Total Non-Instructional Personnel</b>	<b>\$ 441,939</b>	<b>5.0</b>	<b>\$ 394,477</b>	<b>\$ (47,462)</b>
Payroll Taxes and Employee Benefits				
5302 Social Security - ER	\$ 169,803		\$ 142,972	\$ (26,831)
5304 Medicare - ER	39,712		51,381	11,669
5305 CT SUI	41,081		31,045	(10,036)
5401 Health and Medical	330,000		676,379	346,379
5402 Dental and Vision	31,152		60,942	29,790
5403 Workers Compensation	30,000		42,694	12,694
5404 Life and Disability	15,400		19,716	4,316
5405 Other Benefits	2,640		1,229	(1,411)
5503 403B Fees	4,000		2,000	(2,000)
<b>Total Payroll Taxes and Employee Benefits</b>	<b>\$ 663,789</b>	<b>-</b>	<b>\$ 1,028,359</b>	<b>\$ 364,570</b>
<b>Total Personnel Expenses</b>	<b>\$ 3,402,553</b>	<b>61.0</b>	<b>\$ 4,644,764</b>	<b>\$ 1,242,210</b>





**Recommended Budget  
FY 2018-19**

	2017-18	2018-19	
	Budget	FTE	Budget Change
<b>Non-Personnel Expenses</b>			
Professional Services and Contracts			
6001 Accounting and Audit	\$ 25,500	\$ 29,000	\$ 3,500
6002 Legal Services	15,000	15,000	-
6005 Payroll Services	5,000	5,000	-
6006 CPS Management Services	489,500	769,191	279,691
6009 Substitute Services	5,000	-	(5,000)
6010 Other Professional Services	18,300	37,229	18,929
<b>Total Professional Services and Contracts</b>	<b>\$ 558,300</b>	<b>\$ 855,420</b>	<b>\$ 297,120</b>
Supplies & Materials			
6201 Classroom Supplies and Materials	\$ 25,000	\$ 74,500	\$ 49,500
6401 Textbooks and Workbooks	25,000	53,550	28,550
6601 Student Testing and Assessments	1,000	1,000	-
7001 Office Supplies	14,000	14,420	420
7002 Printing and Copying	10,000	13,763	3,763
7003 Postage and Shipping	2,500	2,625	125
<b>Total Supplies &amp; Materials</b>	<b>\$ 77,500</b>	<b>\$ 159,858</b>	<b>\$ 82,358</b>
Student Services			
6701 Field Trips	\$ 5,000	\$ 12,000	\$ 7,000
6703 Graduations	4,000	4,000	-
6801 Food Services	182,290	270,121	87,831
6904 Student Transportation	-	83,300	83,300
6905 Other Student Services	-	2,258	2,258
6907 Athletic Supplies and Equipment	15,000	24,125	9,125
<b>Total Student Services</b>	<b>\$ 206,290</b>	<b>\$ 395,803</b>	<b>\$ 189,514</b>
Capital, Technology & Equipment			
7101 Leased Equipment	\$ 14,400	\$ 13,763	\$ (637)
7103 Furniture	-	10,000	10,000
7104 Equipment Repairs and Maintenance	-	4,431	4,431
7301 Internet	50,464	92,279	41,815
7302 Technology Services	54,000	48,000	(6,000)
7303 Equipment (Non-Cap)	10,000	102,000	92,000
7304 Software (Non-Cap)	-	10,083	10,083
<b>Total Capital, Technology &amp; Equipment</b>	<b>\$ 128,864</b>	<b>\$ 280,557</b>	<b>\$ 151,693</b>





**Recommended Budget  
FY 2018-19**

	2017-18	2018-19	
	Budget	FTE	Budget Change
<b>Insurance &amp; Facility Operations</b>			
8001 General Liability, Umbrella and D&O	\$ 61,348	\$ 59,180	\$ (2,168)
8002 Student Accident & Catastrophe	4,548	-	(4,548)
8101 Facility Lease and Rentals	567,483	598,070	30,587
8102 Utilities	98,826	116,956	18,130
8103 Repairs and Maintenance	45,000	69,923	24,923
8104 Janitorial Services	-	90,000	90,000
8105 Moving and Relocation	20,000	-	(20,000)
8107 Parking, Insurance and Real Estate	67,968	113,330	45,362
<b>Total Insurance &amp; Facility Operations</b>	<b>\$ 865,173</b>	<b>\$ 1,047,459</b>	<b>\$ 182,286</b>
<b>Other Miscellaneous Expenses</b>			
7201 Telephone and Fax	\$ 14,000	\$ 16,461	\$ 2,461
7402 Instructional Staff	-	26,500	26,500
7903 Dues and Memberships	-	500	500
8201 Depreciation	100,000	100,000	-
8202 Debt Service	-	52,067	52,067
9990 Contingency/Fund Reserve	7,051	234,414	227,363
<b>Total Other Miscellaneous Expenses</b>	<b>\$ 121,051</b>	<b>\$ 429,941</b>	<b>\$ 308,890</b>
<b>Total Non-Personnel Expenses</b>	<b>\$ 1,957,178</b>	<b>\$ 3,169,038</b>	<b>\$ 1,211,860</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,359,731</b>	<b>\$ 7,813,802</b>	<b>\$ 2,454,071</b>





## 2018-19 Employee Roster

Job Title	Grade	FTE
Principal	Admin	2.0
Dean	Admin	2.0
Director of Operations	Ops	1.0
Office Manager	Ops	2.0
Illuminators	Kgn	4.0
Illuminators	1/2	4.0
Illuminators	3/4	4.0
Illuminators	5/6	5.0
Illuminators	7/8	5.0
Illuminators	9/10	5.0
Illuminators	11/12	5.0
Illuminators	Specials	4.0
Illuminators	Spec Educ	4.0
Illuminators - Junior	Junior	4.0
Education Aides	Kgn	4.0
Social Worker	SWS	1.0
Facilities Manager	Ops	1.0
Kitchen Manager	Ops	2.0
Kitchen Assistants	Ops	PT
Security	Ops	1.0
Nurse	Nursing	1.0
<b>TOTALS</b>		<b>61.0</b>



FY 20 Recommended Budget  
*Board of Trustees Budget Document*  
June 25, 2019





## Budget Development

FY 2019-20

	2018-19 Adopted		2019-20 Recommended		
	FTE	Budget	FTE	Budget	Change
<b>REVENUE</b>					
State and Local Funding					
4001 Per Pupil General Education	630	\$ 6,930,000	765	\$ 8,606,250	\$ 1,676,250
4002 Special Education	107	390,550	130	422,663	32,113
<b>Total State and Local Funding</b>	<b>737</b>	<b>\$ 7,320,550</b>	<b>895</b>	<b>\$ 9,028,913</b>	<b>\$ 1,708,363</b>
Federal Funding					
4102 Title I		\$ 132,200		\$ 139,679	\$ 7,479
4103 Title II A		26,354		29,993	3,639
4104 Title V		-		10,000	10,000
4106 E-Rate		69,831		69,831	-
4107 Federal Grants - NSLP/SBP		212,801		219,544	6,742
<b>Total Federal Funding</b>		<b>\$ 441,186</b>		<b>\$ 469,046</b>	<b>\$ 27,860</b>
Contributions, Donations and Fundraising					
4301 Fundraising		\$ 52,066		\$ 52,066	\$ -
<b>Total Other Funding</b>		<b>\$ 52,066</b>		<b>\$ 52,066</b>	<b>\$ -</b>
<b>TOTAL REVENUE</b>		<b>\$ 7,813,802</b>		<b>\$ 9,550,025</b>	<b>\$ 1,736,224</b>
<b>EXPENDITURES</b>					
<b>Personnel</b>					
School Administrative Personnel					
5001 Principals	2.0	\$ 251,518	2.0	\$ 246,750	\$ (4,768)
5002 Asst Principals and Deans	2.0	217,270	2.0	205,499	(11,771)
5003 Dir Operations and Business	1.0	97,718	1.0	100,650	2,932
5004 Office Administrative Support	2.0	90,176	2.0	92,524	2,348
<b>Total School Administrative Personnel</b>	<b>7.0</b>	<b>656,682</b>	<b>7.0</b>	<b>645,423</b>	<b>\$ (11,259)</b>
Instructional Personnel					
5101 Illuminators - Regular	32.0	1,748,168	35.0	\$ 2,063,709	\$ 315,541
5102 Illuminators - Special Education	4.0	256,645	7.0	481,341	224,696
5104 Illuminators - Junior	4.0	141,050	2.0	80,391	(60,659)
5105 Illuminators - Specials	4.0	212,383	6.0	328,548	116,165
5106 Classroom Aides and Paras	4.0	140,000	6.0	216,300	76,300
5107 Social Workers - Pupil Services	1.0	42,000	2.0	129,167	87,167
5108 Instructional Coaches			2.0	151,250	151,250
5251 Instructional Stipends		25,000		34,000	9,000
<b>Total Instructional Personnel</b>	<b>49.0</b>	<b>2,565,246</b>	<b>60.0</b>	<b>3,484,705</b>	<b>919,460</b>
Non-Instructional Personnel					
5203 Facilities Staff	1.0	\$ 61,000	1.0	\$ 61,903	\$ 903
5204 Food Services Staff	2.0	147,666	4.0	216,170	68,504
5205 Security	1.0	28,411	-	2,368	(26,043)
5206 Other NIS		9,000		9,000	-
5207 Athletic Directors and Coaches		87,400		87,400	-
5208 Nurse	1.0	61,000	1.0	61,903	903
<b>Total Non-Instructional Personnel</b>	<b>5.0</b>	<b>\$ 394,477</b>	<b>6.0</b>	<b>438,744</b>	<b>\$ 44,267</b>
Payroll Taxes and Employee Benefits					
<b>Total Payroll Taxes and Employee Benefits</b>	<b>-</b>	<b>\$ 1,028,359</b>	<b>-</b>	<b>1,278,569</b>	<b>250,210</b>
<b>Total Personnel Expenses</b>	<b>61.0</b>	<b>\$ 4,644,764</b>	<b>73.0</b>	<b>5,847,440</b>	<b>\$ 1,202,677</b>





## Budget Development

FY 2019-20

	2018-19 Adopted		2019-20 Recommended		
	FTE	Budget	FTE	Budget	Change
<b>Non-Personnel Expenses</b>					
Professional Services and Contracts					
6001 Accounting and Audit		\$ 29,000	\$ 36,500	\$ 7,500	
6002 Legal Services		15,000	10,000	(5,000)	
6005 Payroll Services		5,000	15,039	10,039	
6006 CPS Management Services		769,191	949,796	180,605	
6009 Substitute Services		-	24,480	24,480	
6010 Other Professional Services		37,229	49,820	12,591	
<b>Total Professional Services and Contracts</b>		<b>\$ 855,420</b>	<b>1,085,635</b>	<b>\$ 230,215</b>	
Supplies & Materials					
6201 Classroom Supplies and Materials		\$ 74,500	\$ 76,500	\$ 2,000	
6401 Textbooks and Workbooks		53,550	57,375	3,825	
6601 Student Testing and Assessments		1,000	15,300	14,300	
7001 Office Supplies		14,420	21,900	7,480	
7002 Printing and Copying		13,763	29,000	15,237	
7003 Postage and Shipping		2,625	3,000	375	
<b>Total Supplies &amp; Materials</b>		<b>\$ 159,858</b>	<b>203,075</b>	<b>\$ 43,217</b>	
Student Services					
6701 Field Trips		\$ 12,000	\$ 12,000	\$ -	
6703 Graduations		4,000	10,000	6,000	
6801 Food Services		270,121	370,689	100,569	
6904 Student Transportation		83,300	86,000	2,700	
6905 Other Student Services		2,258	10,000	7,742	
6907 Athletic Supplies and Equipment		24,125	76,500	52,375	
<b>Total Student Services</b>		<b>\$ 395,803</b>	<b>565,189</b>	<b>\$ 169,386</b>	
Capital, Technology & Equipment					
7101 Leased Equipment		\$ 13,763	\$ 23,436	\$ 9,672	
7103 Furniture		10,000	10,000	-	
7104 Equipment Repairs and Maintenance		4,431	1,000	(3,431)	
7201 Telephone and Fax		16,461	19,125	2,664	
7301 Internet		92,279	95,371	3,091	
7302 Technology Services		48,000	49,440	1,440	
7303 Equipment (Non-Cap)		102,000	141,975	39,975	
7304 Software (Non-Cap)		10,083	39,308	29,225	
7306 Cable TV Services		-	1,515	1,515	
<b>Total Capital, Technology &amp; Equipment</b>		<b>\$ 297,018</b>	<b>381,169</b>	<b>\$ 84,152</b>	
Insurance & Facility Operations					
8001 General Liability, Umbrella and D&O		\$ 59,180	\$ 43,494	\$ (15,686)	
8101 Facility Lease and Rentals		598,070	621,428	23,358	
8102 Utilities		116,956	142,140	25,184	
8103 Repairs and Maintenance		69,923	50,000	(19,923)	
1507 Building Leasehold Imp			73,400	73,400	
8104 Janitorial Services		90,000	84,192	(5,808)	
8107 Parking, Insurance and Real Estate		113,330	115,566	2,236	
8108 Alarm & Monitoring Service			12,902	12,902	
8109 Trash & Waste Services			17,269	17,269	
8110 Custodial & Janitorial Supplies			16,202	16,202	



## Budget Development

FY 2019-20

	2018-19 Adopted		2019-20 Recommended		
	FTE	Budget	FTE	Budget	Change
<b>Total Insurance &amp; Facility Operations</b>		\$ 1,047,459		\$ 1,176,593	\$ 129,134
Other Miscellaneous Expenses					
7402 Instructional Staff		26,500	\$	51,700	\$ 25,200
7501 Job Postings and Career Fairs				5,000	5,000
7502 Student Recruitment and Marketing				5,000	5,000
7903 Dues and Memberships		500			(500)
8201 Depreciation		100,000		-	(100,000)
8202 Debt Service		52,067		52,067	-
9990 Contingency/Fund Reserve		234,414		177,156	(57,258)
<b>Total Other Miscellaneous Expenses</b>		\$ 413,481		290,923	\$ (122,558)
<b>Total Non-Personnel Expenses</b>		\$ 3,169,038		3,702,584	\$ 533,546
<b>TOTAL EXPENDITURES</b>		\$ 7,813,802		9,550,025	\$ 1,736,224



**Capital Preparatory Schools, Inc.**

Financial Statements

June 30, 2018 and 2017

## Independent Auditors' Report

### **Board of Directors Capital Preparatory Schools, Inc.**

We have audited the accompanying financial statements of Capital Preparatory Schools, Inc. (the "Organization"), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Report on Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 12 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*PKF O'Connor Davies, LLP*

Harrison, New York  
February 25, 2019

## Capital Preparatory Schools, Inc.

### Statements of Financial Position

	June 30,	
	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 2,292,745	\$ 1,153,882
Due from related parties	163,420	362,419
Note receivable, related party, current portion	52,066	-
Prepaid expenses	<u>10,253</u>	<u>19,005</u>
Total Current Assets	2,518,484	1,535,306
Note receivable, related party	468,599	-
Property and equipment, net	<u>3,790</u>	<u>-</u>
	<u>\$ 2,990,873</u>	<u>\$ 1,535,306</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 30,088	\$ 38,981
Refundable advance	<u>1,000,000</u>	<u>200,000</u>
Total Current Liabilities	1,030,088	238,981
Net Assets		
Unrestricted	1,460,785	1,296,325
Temporarily restricted	<u>500,000</u>	<u>-</u>
Total Net Assets	<u>1,960,785</u>	<u>1,296,325</u>
	<u>\$ 2,990,873</u>	<u>\$ 1,535,306</u>

See notes to financial statements

**Capital Preparatory Schools, Inc.**

Statements of Activities  
Year Ended June 30,

	2018			2017
	Unrestricted	Temporarily Restricted	Total	Total
<b>REVENUE AND SUPPORT</b>				
Management fees	\$ 978,889	\$ -	\$ 978,889	\$ 504,051
Grants and contributions	827,820	500,000	1,327,820	1,965,486
Total Revenue and Support	<u>1,806,709</u>	<u>500,000</u>	<u>2,306,709</u>	<u>2,469,537</u>
<b>EXPENSES</b>				
Program services	1,051,833	-	1,051,833	1,101,524
Management and general	520,540	-	520,540	215,957
Fundraising	69,876	-	69,876	25,350
Total Expenses	<u>1,642,249</u>	<u>-</u>	<u>1,642,249</u>	<u>1,342,831</u>
Change in Net Assets	164,460	500,000	664,460	1,126,706
<b>NET ASSETS</b>				
Beginning of year	<u>1,296,325</u>	<u>-</u>	<u>1,296,325</u>	<u>169,619</u>
End of year	<u>\$ 1,460,785</u>	<u>\$ 500,000</u>	<u>\$ 1,960,785</u>	<u>\$ 1,296,325</u>

## Capital Preparatory Schools, Inc.

### Statements of Cash Flows

	Year Ended June 30,	
	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 664,460	\$ 1,126,706
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	1,458	-
Changes in operating assets and liabilities		
Due from related parties	198,999	(362,419)
Prepaid expenses	8,752	(9,005)
Accounts payable and accrued expenses	(8,893)	11,935
Refundable advance	800,000	(550,000)
Net Cash from Operating Activities	<u>1,664,776</u>	<u>217,217</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Purchases of property and equipment	(5,248)	-
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Note receivable, related party	<u>(520,665)</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	1,138,863	217,217
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>1,153,882</u>	<u>936,665</u>
End of year	<u>\$ 2,292,745</u>	<u>\$ 1,153,882</u>

See notes to financial statements



## Capital Preparatory Schools, Inc.

Notes to Financial Statements  
June 30, 2018 and 2017

### 1. Organization and Tax Status

Capital Preparatory Schools, Inc. (the "Organization"), was incorporated under the laws of the State of Connecticut on February 16, 2012. The Organization's mission is to provide all students access to a high quality education by facilitating and supporting the creation, operation, and management of innovative and effective school models.

Except for taxes that may be due for unrelated business income, the Organization is exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code and from state and local income taxes under comparable laws.

### 2. Significant Accounting Policies

#### ***Basis of Presentation and Use of Estimates***

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly actual results could differ from those estimates.

#### ***Net Asset Presentation***

Resources for various purposes are classified for accounting and reporting purposes into net asset categories established according to nature and purpose as follows:

*Unrestricted* - consist of resources available for the general support of the Organization's operations. Unrestricted net assets may be used at the discretion of the Organization's management and Board of Directors.

*Temporarily restricted* - represent amounts restricted by donors for specific activities of the Organization or to be used at some future date. The Organization records contributions as temporarily restricted if they are received with donor stipulations that limit their use either through purpose or time restrictions. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. However, when restrictions on donor-restricted contributions and investment return are met in the same accounting period in which they are received, such amounts are reported as unrestricted net assets.

*Permanently restricted* - consist of net assets that are subject to donor imposed restrictions that require the Organization to maintain them permanently, including funds that are subject to restrictions of gift instruments requiring that the principal be invested in perpetuity and the income be used for specific or general purposes. Income and gains earned on endowment fund investments are available to be used in the unrestricted or temporarily restricted net asset classes based upon stipulations by the donors.

## Capital Preparatory Schools, Inc.

Notes to Financial Statements  
June 30, 2018 and 2017

### 2. Significant Accounting Policies *(continued)*

#### ***Net Asset Presentation (continued)***

The Organization had no permanently restricted net assets at June 30, 2018 and 2017 and no temporarily restricted net assets as of June 30, 2017.

#### ***Cash and Cash Equivalents***

Cash and cash equivalents include cash balances held in bank accounts and highly liquid debt instruments with maturities of three months or less at the time of purchase.

#### ***Property and Equipment***

The Organization follows the practice of capitalizing all expenditures for property and equipment with costs in excess of \$5,000 and a useful life in excess of one year. Purchased property and equipment are recorded at cost at the date of acquisition. Minor costs of maintenance and repairs are expensed as incurred. All property and equipment purchased with government funding is capitalized, unless the government agency retains legal title to such assets, in which case it is expensed as incurred. Depreciation is recognized on the straight-line method over the estimated useful lives of such assets, which is 3 years for computers.

Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator of possible impairment is identified. If the carrying amount for the asset is not recoverable, the asset is written down to its fair value. There were no asset impairments for the year ended June 30, 2018.

#### ***Refundable Advance***

Refundable advance as of June 30, 2018 and 2017, represents a grant received by the Organization prior to satisfaction of grant conditions.

#### ***Revenue and Support***

Grants and contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Grants and contributions of cash are reported as temporarily or permanently restricted support if they are received with donor stipulations. Contributions of assets other than cash are recorded at their estimated fair value. Conditional promises to give, which depend on the occurrence of a specified future and uncertain event to bind the promisor, are recognized when the conditions on which they depend are substantially met. Management fees are recognized when services are performed in accordance with the agreement.

## **Capital Preparatory Schools, Inc.**

Notes to Financial Statements  
June 30, 2018 and 2017

### **2. Significant Accounting Policies (*continued*)**

#### ***Functional Expense Allocation***

The majority of expenses can generally be directly identified with the program or supporting service to which they relate and are charged accordingly. Other expenses by function have been allocated among program and supporting services classifications on the basis of periodic time and expense studies and other basis as determined by management of the Organization to be appropriate.

#### ***Marketing and Recruiting***

Marketing and recruiting costs are expensed as incurred. Marketing and recruiting costs for the years ended June 30, 2018 and 2017 amounted to \$32,521 and \$30,257.

#### ***Accounting for Uncertainty in Income Taxes***

The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure. The Organization is no longer subject to examinations by the applicable taxing jurisdictions for years prior to June 30, 2015.

#### ***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is February 25, 2019.

### **3. Conditional Promise To Give**

During the year ended June 30, 2018, the Organization received a foundation grant totaling \$1,000,000 for general operating support. The grant contains donor conditions related to specific performance measurements. Since this grant represents a conditional promise to give, it is not recognized as grants and contributions revenue until donor conditions are met. Donor conditions were met during the year ended June 30, 2019, at which time the Organization recognized the grant as revenue. At June 30, 2018, the Organization recorded the receipt of this grant as refundable advance in the Statement of Financial Position.

### **4. Related Party Transactions (Not Disclosed Elsewhere)**

The Organization is affiliated with two charter schools related by common management: Capital Preparatory Harbor School (“Harbor”) a Connecticut, not-stock educational corporation and Capital Preparatory Harlem School (“Harlem”) a New York, not-for-profit educational corporation, (collectively the “related charter schools”).

## Capital Preparatory Schools, Inc.

Notes to Financial Statements  
June 30, 2018 and 2017

### 4. Related Party Transactions (Not Disclosed Elsewhere) (continued)

During fiscal 2016, the Organization entered into a full service agreement with Harbor to undertake, on Harbor's behalf, functions in regards to business, administrative, and academic services of Harbor. This agreement shall continue through June 30, 2020 unless terminated prior to such date. As compensation to the Organization for these services rendered, Harbor shall pay the Organization an amount each year equal to 10% of Harbor's gross revenues. Gross revenues are defined as revenue from the state, federal and local funding excluding competitive public grants or private school funding. For the years ended June 30, 2018 and 2017, the Organization charged Harbor \$501,455 and \$275,000 for these services. In addition, operating expenses paid by the Organization on behalf of Harbor was \$19,837 and \$1,956 for the years ended June 30, 2018 and 2017. During the year ended June 30, 2018, the Organization made a grant to the Harbor in the amount of \$225,000.

During the year ended June 30, 2018 and 2017, the Organization provided transportation services to Harbor at no charge that amounted to \$4,350 and \$48,301.

On December 13, 2017, the Organization entered into a promissory note with Harbor in the amount of \$228,400 for the repayment of costs associated with Harlem's payroll and benefits. The note matured on January 15, 2018 and did not bear interest. Harbor repaid the amount in full on February 9, 2018.

On May 22, 2018, the Organization provided a promissory note receivable to Harbor in the amount of \$520,665 for the repayment of fixed asset purchases, textbooks, and the security deposit for the lower school location paid by the Organization on behalf of Harbor. The note matures on June 1, 2028 and does not bear interest. The loan is payable in ten annual equal installments of \$52,066 due June 1<sup>st</sup> with the first payment due June 1, 2019.

Minimum future payments to be received under this note are as follows for the years ending June 30:

2019	\$	52,066
2020		52,066
2021		52,066
2022		52,066
2023		52,066
Thereafter		<u>260,335</u>
		520,665
Less current portion		<u>52,066</u>
Promissory note receivable, related party	\$	<u>468,599</u>

## Capital Preparatory Schools, Inc.

Notes to Financial Statements  
June 30, 2018 and 2017

### 4. Related Party Transactions (Not Disclosed Elsewhere) (continued)

On October 12, 2015, the Organization entered into a management agreement with Harlem to undertake on Harlem's behalf functions in regards to business, administrative, and academic services of Harlem. This agreement shall continue through June 30, 2021 unless terminated prior to such date. As compensation to the Organization for these services rendered, Harlem shall pay the Organization an amount each year equal to 10% of Harlem's gross revenues. Gross revenues are defined as revenue from the state, federal and local funding excluding competitive public grants or private school funding. For the years ended June 30, 2018 and 2017, the Organization charged Harlem \$477,434 and \$229,051 for these services. In addition, operating expenses paid by the Organization on behalf of Harlem was \$45,646 and \$14,807 for the years ended June 30, 2018 and 2017.

At June 30, 2018 and 2017 the net balances due from the related charter schools were:

	2018	2017
Harbor	\$ 49,127	\$ 276,956
Harlem	114,293	85,463
	<u>\$ 163,420</u>	<u>\$ 362,419</u>

### 5. Property and Equipment

Property and equipment consists of the following at June 30, 2018:

Computers	\$ 5,248
Accumulated depreciation	(1,458)
	<u>\$ 3,790</u>

### 6. Contingencies

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursements. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying financial statements. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

### 7. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit and market risk consist principally of cash and cash equivalents on deposit with financial institutions, which from time to time may exceed the Federal Deposit Insurance Corporation ("FDIC") limit. The Organization does not believe that a significant risk of loss due to the failure of a financial institution presently exists. As of June 30, 2018 and 2017, approximately \$2,043,000 and \$904,000 of cash was maintained with an institution in excess of FDIC limits.

## **Capital Preparatory Schools, Inc.**

Notes to Financial Statements  
June 30, 2018 and 2017

### **8. Temporarily Restricted Net Assets**

At June 30, 2018, temporarily restricted net assets of \$500,000 were restricted for general operating expenses that will be incurred during the year ended June 30, 2019. For the year ended June 30, 2017, the Organization had no temporarily restricted net assets.

### **9. Concentration of Revenue and Support**

For the years ended June 30, 2018 and 2017, the Organization received approximately 42% and 20% of total revenue and support from the related charter schools. For the year ended June 30, 2018 grants and contributions from four donors accounted for 51% of total revenue and support. For the year ended June 30, 2017 contributions from three donors accounted for 75% of total revenue and support.

\* \* \* \* \*

**Capital Preparatory Schools, Inc.**

Supplementary Information  
June 30, 2018 and 2017

**Capital Preparatory Schools, Inc.**

Schedule of Functional Expenses

Year Ended June 30, 2018

(with summarized totals for the year ended June 30, 2017)

	2018			2017	
	Program Services	Management and General	Fundraising	Total	Total
Salaries	\$ 459,759	\$ 278,272	\$ 61,800	\$ 799,831	\$ 623,345
Payroll taxes and benefits	100,603	69,165	5,251	175,019	97,213
Grant to related school	225,000	-	-	225,000	-
Audit services	-	17,557	-	17,557	15,000
Legal services	-	18,180	-	18,180	3,134
Other professional fees	29,646	103,574	506	133,726	188,940
Professional development	110,162	-	-	110,162	124,359
Marketing and recruiting	29,269	3,252	-	32,521	30,257
Sponsorship and other school costs	52,966	-	-	52,966	189,428
Office	5,123	3,518	267	8,908	13,126
Insurance	10,484	7,207	547	18,238	7,451
Travel and entertainment	13,170	9,055	687	22,912	22,256
Technology and communication	9,064	6,231	473	15,768	15,874
Non-capitalized equipment and furnishings	2,948	2,026	154	5,128	4,140
Repairs and maintenance	1,814	1,249	95	3,158	5,981
Depreciation	838	576	44	1,458	-
Miscellaneous	987	678	52	1,717	2,327
Total Expenses	<u>\$ 1,051,833</u>	<u>\$ 520,540</u>	<u>\$ 69,876</u>	<u>\$ 1,642,249</u>	<u>\$ 1,342,831</u>

See independent auditors' report



# **Capital Preparatory Harbor School**

Financial Statements and State Single Audit  
Together With Independent Auditors' Reports

June 30, 2018 and 2017

## Capital Preparatory Harbor School

### Financial Statements and State Single Audit Together With Independent Auditors' Reports June 30, 2018 and 2017

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## Independent Auditors' Report

**Board of Trustees  
Capital Preparatory Harbor School**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Capital Preparatory Harbor School (the "School"), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the School as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Report on Summarized Comparative Information***

We previously audited the School's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 18, 2017. In our opinion, the summarized comparative statement of functional expenses presented herein for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

Harrison, New York  
December 21, 2018

## Capital Preparatory Harbor School

### Statements of Financial Position

	June 30,	
	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 492,085	\$ 443,310
Grants and contracts receivable	72,201	72,497
Prepaid expenses and other current assets	<u>9,443</u>	<u>24,354</u>
Total Current Assets	573,729	540,161
Property and equipment, net	595,434	210,664
Security deposits	<u>144,451</u>	<u>124,451</u>
	<u>\$1,313,614</u>	<u>\$ 875,276</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 273,741	\$ 120,075
Due to related party	49,127	276,956
Refundable advances	-	10,000
Promissory note, related party, current portion	<u>52,066</u>	<u>-</u>
Total Current Liabilities	374,934	407,031
Deferred rent	230,877	149,753
Promissory note, related party	<u>468,599</u>	<u>-</u>
Total Liabilities	1,074,410	556,784
Net assets, unrestricted	<u>239,204</u>	<u>318,492</u>
	<u>\$1,313,614</u>	<u>\$ 875,276</u>

See notes to financial statements

## Capital Preparatory Harbor School

### Statements of Activities

	Year Ended June 30,	
	2018	2017
<b>REVENUE AND SUPPORT</b>		
State and local per pupil operating revenue	\$ 4,444,000	\$ 2,750,000
Special education revenue	169,551	94,250
Federal grants	404,305	146,058
Grant from Capital Preparatory Schools	225,000	-
Donated services	325,044	48,301
Other income	9,081	4,795
Total Revenue and Support	<u>5,576,981</u>	<u>3,043,404</u>
<b>EXPENSES</b>		
Program services	5,201,086	2,734,606
Supporting Services		
Management and general	455,183	474,548
Fundraising	-	3,839
Total Expenses	<u>5,656,269</u>	<u>3,212,993</u>
Change in Net Assets	(79,288)	(169,589)
<b>NET ASSETS, UNRESTRICTED</b>		
Beginning of year	<u>318,492</u>	<u>488,081</u>
End of year	<u>\$ 239,204</u>	<u>\$ 318,492</u>

See notes to financial statements

## Capital Preparatory Harbor School

Statement of Functional Expenses  
 Year Ended June 30, 2018  
 (with summarized totals for the year ended June 30, 2017)

	2018			2017
	Program Services	Management and General	Total	Total
Personnel services costs				
Administrative staff personnel	\$ 336,891	\$ 197,357	\$ 534,248	\$ 356,380
Instructional personnel	1,599,718	3,672	1,603,390	904,924
Non-instructional personnel	<u>272,673</u>	<u>-</u>	<u>272,673</u>	<u>264,957</u>
Total salaries and staff	2,209,282	201,029	2,410,311	1,526,261
Fringe benefits and payroll taxes	529,247	47,201	576,448	287,453
Management company fees	445,345	52,247	497,592	275,000
Legal services	-	13,801	13,801	19,303
Accounting and audit services	-	24,675	24,675	20,000
Other purchased, professional, and consulting services	50,719	420	51,139	49,228
Building and land rent/lease	636,241	56,741	692,982	537,737
Repairs and maintenance	141,324	12,604	153,928	47,419
Insurance	40,801	3,638	44,439	32,970
Utilities	122,198	10,898	133,096	61,659
Supplies and materials	110,855	(3,672)	107,183	18,406
Equipment and furnishings	12,964	5,771	18,735	7,129
Staff development	-	-	-	176
Marketing and recruitment	223	20	243	253
Technology	123,484	11,012	134,496	39,888
Food services	205,367	-	205,367	121,294
Student services	428,124	-	428,124	90,402
Office expense	19,380	14,853	34,233	17,889
Depreciation and amortization	121,958	3,662	125,620	60,526
Other	<u>3,574</u>	<u>283</u>	<u>3,857</u>	<u>-</u>
Total Expenses	<u>\$ 5,201,086</u>	<u>\$ 455,183</u>	<u>\$ 5,656,269</u>	<u>\$ 3,212,993</u>

See notes to financial statements

## Capital Preparatory Harbor School

### Statements of Cash Flows

	Year Ended June 30,	
	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (79,288)	\$ (169,589)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	125,620	60,526
Deferred rent	81,124	88,606
Changes in operating assets and liabilities		
Grants and contracts receivable	296	17,064
Prepaid expenses and other current assets	14,911	(15,838)
Accounts payable and accrued expenses	153,666	56,224
Due to related party	(227,829)	276,956
Refundable advances	(10,000)	10,000
Net Cash from Operating Activities	58,500	323,949
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(510,390)	(10,035)
Security deposits	(20,000)	-
Net Cash from Investing Activities	(530,390)	(10,035)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from promissory note, related party	520,665	-
Net Change in Cash and Cash Equivalents	48,775	313,914
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	443,310	129,396
End of year	\$ 492,085	\$ 443,310



# Capital Preparatory Harbor School

Notes to Financial Statements  
June 30, 2018 and 2017

## 1. Organization and Tax Status

Capital Preparatory Harbor School (the "School") was incorporated on September 5, 2014 to operate a charter school in Bridgeport Connecticut. The School was granted a provisional charter on August 5, 2015, valid for a term of five years and renewable upon expiration by the State Board of Education of the State of Connecticut. The School's mission is to provide its students with a year-round, college preparatory education that develops lifelong learners, leaders, and agents of social change. Serving as the anchor for student development, the School's educators provide an educational environment that creates opportunities for all students to realize and fulfill their academic, social, and civic responsibilities. The School provided education to approximately 440 students in grades kindergarten through twelfth during the 2017-2018 academic year. The School received state per pupil revenue funding for 404 students, the maximum allowed by the State of Connecticut.

The School uses an outside vendor to serve breakfast and lunch to its students and files for reimbursement of qualified expenses through the National School Lunch Program and the School Breakfast Program. Transportation is provided to the School's students through the Bridgeport Board of Education to students within a certain mile radius. Qualified middle school students are assigned a school bus, and qualified high school students receive public transit bus passes on a monthly basis from the Bridgeport Board of Education, and the School distributes the bus passes to students accordingly.

Except for taxes that may be due for unrelated business income, the School is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state and local income taxes under comparable laws.

## 2. Summary of Significant Accounting Policies

### ***Basis of Presentation and Use of Estimates***

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly actual results could differ from those estimates.

### ***Net Assets Presentation***

Resources for various purposes are classified for accounting and reporting purposes into net asset categories established according to nature and purpose as follows:

*Unrestricted* - consist of resources available for the general support of the School's operations. Unrestricted net assets may be used at the discretion of the School's management and Board of Trustees.

## Capital Preparatory Harbor School

Notes to Financial Statements  
June 30, 2018 and 2017

### 2. Summary of Significant Accounting Policies *(continued)*

#### ***Net Assets Presentation (continued)***

*Temporarily Restricted* - represent amounts restricted by donors for specific activities of the School or to be used at some future date. The School records contributions as temporarily restricted if they are received with donor stipulations that limit their use either through purpose or time restrictions. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. However, when restrictions on donor-restricted contributions are met in the same accounting period in which they are received, such amounts are reported as unrestricted net assets.

*Permanently Restricted* - consist of net assets that are subject to donor imposed restrictions that require the School to maintain them permanently, including funds that are subject to restrictions of gift instruments requiring that the principal be invested in perpetuity and the income be used for specific or general purposes. Income and gains earned on endowment fund investments are available to be used in the unrestricted or temporarily restricted net asset classes based upon stipulations by the donors.

The School had no temporarily or permanently restricted net assets at June 30, 2018 and 2017.

#### ***Cash and Cash Equivalents***

Cash and cash equivalents include cash balances held in bank accounts and highly liquid debt instruments with maturities of three months or less at the time of purchase.

#### ***Property and Equipment***

The School follows the practice of capitalizing all expenditures for property and equipment with costs in excess of \$3,000 and a useful life in excess of one year. Leasehold improvements are amortized over the shorter of the term of the lease, inclusive of all renewal periods, which are reasonably assured, or the estimated useful life of the asset, which is 10 years. Purchased property and equipment are recorded at cost at the date of acquisition. Minor costs of maintenance and repairs are expensed as incurred. All property and equipment purchased with government funding is capitalized, unless the government agency retains legal title to such assets, in which case it is expensed as incurred.

Depreciation is recognized on the straight-line method over the estimated useful lives of such assets as follows:

Furniture and fixtures	7 years
Computers and equipment	3 - 5 years

## Capital Preparatory Harbor School

Notes to Financial Statements  
June 30, 2018 and 2017

### 2. Summary of Significant Accounting Policies (*continued*)

#### ***Property and Equipment (continued)***

Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator of possible impairment is identified. If the carrying amount for the asset is not recoverable, the asset is written down to its fair value. There were no asset impairments for the years ended June 30, 2018 and 2017.

#### ***Refundable Advances***

The School records certain government operating revenue as refundable advances until related services are performed, at which time they are recognized as revenue. The balance of \$10,000 at June 30, 2017 represents cash received during the year ended June 30, 2017 from the Connecticut State Department of Education which eligible costs had not yet been incurred.

#### ***Deferred Rent***

The School records its rent in accordance with U.S. GAAP, whereby all rental payments, including fixed rent increases, are recognized on a straight-line basis as an offset to rent expense. The difference between the straight-line rent expense and the required lease payments, as well as any unamortized lease incentive, is reflected in deferred rent in the accompanying statements of financial position.

#### ***Revenue and Support***

Revenue from the state and local governments resulting from the School's charter status and based on the number of students enrolled is recorded when services are performed in accordance with the charter agreement. Federal and other state and local funds are recorded when expenditures are incurred and billable to the government agency.

Contributions are recognized when the donor makes a promise to give to the School that is, in substance, unconditional. Grants and other contributions of cash are reported as temporarily restricted support if they are received with donor stipulations. Restricted contributions and grants that are made to support the School's current year activities are recorded as unrestricted revenue. Contributions of assets other than cash are recorded at their estimated fair value at the date of donation.

#### ***Donated Services***

The School recognizes contributions of services if they create or enhance nonfinancial assets, require specialized skills, are provided by individuals possessing those skills, would typically need to be purchased if not provided by the School, and are measurable.

## Capital Preparatory Harbor School

Notes to Financial Statements  
June 30, 2018 and 2017

### 2. Summary of Significant Accounting Policies (*continued*)

#### ***Donated Services (continued)***

Bridgeport Public Schools provided transportation to the School at no charge for the year ended June 30, 2018. Capital Preparatory Schools, Inc. ("CPS"), the School's charter management organization and a related party through common management, provided transportation services to the School at no charge for the year ended June 30, 2017. The value of these donated services for the years ended June 30, 2018 and 2017 amounted to \$325,044 and \$48,301. The value of these services is allocated to program services in the accompanying statements of activities and functional expenses.

#### ***Marketing and Recruitment***

Marketing and recruitment costs are expensed as incurred for staff and student recruitment. Marketing and recruitment expense for the years ended June 30, 2018 and 2017 was \$243 and \$253.

#### ***Functional Expense Allocation***

The majority of expenses can generally be directly identified with the program or supporting service to which they relate and are charged accordingly. Other expenses by function have been allocated among program and supporting services classifications on the basis of periodic time and expense studies and other basis as determined by management of the School to be appropriate.

#### ***Accounting for Uncertainty in Income Taxes***

The School recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the School had no uncertain tax positions that would require financial statement recognition or disclosure. All returns filed by the School are subject to examinations by the applicable taxing jurisdictions.

#### ***Prior-year Summarized Financial Information***

The statement of functional expenses includes prior-year summarized comparative information in total but not by function. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the School's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

#### ***Reclassifications***

Certain amounts in the 2017 financial statements have been reclassified to conform to the 2018 presentation. Net assets and the change in net assets are unchanged due to these reclassifications.

## Capital Preparatory Harbor School

Notes to Financial Statements  
June 30, 2018 and 2017

### 2. Summary of Significant Accounting Policies *(continued)*

#### ***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is December 21, 2018.

### 3. Grants and Contracts Receivable

Grants and contracts receivable consists of federal and state entitlements and grants. The School expects to collect these receivables within one year. Management has assessed the need for an allowance and has determined that such an allowance is not necessary.

### 4. Property and Equipment

Property and equipment consists of the following at June 30:

	<u>2018</u>	<u>2017</u>
Computers and equipment	\$ 252,051	\$ 104,354
Furniture and fixtures	265,308	133,992
Leasehold improvements	<u>314,417</u>	<u>83,040</u>
	831,776	321,386
Accumulated depreciation and amortization	<u>(236,342)</u>	<u>(110,722)</u>
	<u>\$ 595,434</u>	<u>\$ 210,664</u>

Depreciation and amortization expense was \$125,620 and \$60,526 for the years ended June 30, 2018 and 2017.

### 5. Related Party Transactions *(not disclosed elsewhere)*

The School is affiliated with Capital Preparatory Schools, Inc. ("CPS"), a Connecticut non-stock corporation, by common management.

During fiscal 2016, the School entered into a full service agreement with CPS to undertake, on its behalf, functions in regards to business, administrative, and academic services of the School. As compensation to CPS for these services rendered, during the year ended June 30, 2018, the School paid to CPS an amount equal to 10% of the School's gross revenues, which is defined under the full service agreement as an amount equal to the sum of (i) the average number of students enrolled during such school year multiplied by the approved per pupil operating expense, plus (ii) Title funds, plus (iii) E-Rate funding, plus (iv) special education funding, plus (v) all other public entitlement funding from a public source, excluding in-kind contributions, start-up funding, funding for school meals, and funding for competitive grants. During the year ended June 30, 2017, the School paid to CPS an amount equal to 10% of the School's per pupil general education revenue as compensation to CPS for these services rendered.

## Capital Preparatory Harbor School

Notes to Financial Statements  
June 30, 2018 and 2017

### 5. Related Party Transactions (not disclosed elsewhere) (continued)

During the years ended June 30, 2018 and 2017, the School incurred \$497,592 and \$275,000 in management fees payable to CPS, along with \$19,837 and \$1,956 of operating expenses paid by CPS on behalf of the School. During the year ended June 30, 2018, CPS made a grant to the School in the amount of \$225,000.

Balance due to CPS at June 30, 2018 and 2017 for these expenses was \$49,127 and \$276,956.

On December 13, 2017, the School entered into a promissory note with CPS in the amount of \$228,400 for the repayment of costs associated with the School's payroll and benefits. The note matured on January 15, 2018, and did not bear interest. The School repaid the amount in full to CPS on February 9, 2018.

On May 22, 2018, the School entered into a promissory note with CPS in the amount of \$520,665 for the repayment of fixed asset purchases, textbooks, and the security deposit for the middle school location (Note 9) paid by CPS on behalf of the School. The note matures on June 1, 2028 and does not bear interest. The loan is payable in ten annual equal installments of \$52,066 by June 1<sup>st</sup> with the first payment due June 1, 2019.

Minimum future principal payments under this note are to be paid as follows for the years ending June 30:

2019	\$	52,066
2020		52,066
2021		52,066
2022		52,066
2023		52,066
Thereafter		<u>260,335</u>
		520,665
Less current portion		<u>52,066</u>
Promissory note, related party	\$	<u><u>468,599</u></u>

### 6. Employee Benefit Plan

The certified personnel of the School are provided with pensions through the State Teachers' Retirement System (the "System"), a cost-sharing, multiple-employer defined benefit pension plan administered by the Connecticut State Teacher's Retirement Board established under Section 167a of the Connecticut General statutes. Teachers are required to contribute 7.25% of their annual salary, while the State of Connecticut is required to contribute at an actuarially determined rate, which may be reduced by an act of State Legislature. Administrative costs of the plan are funded by the State of Connecticut. The School's participation with the System is mandatory unless the applicable legislation were to be modified. The School has no obligation under this plan.

## Capital Preparatory Harbor School

Notes to Financial Statements  
June 30, 2018 and 2017

### 7. Concentration of Credit Risk

Financial instruments that potentially subject the School to concentrations of credit and market risk consist principally of cash and cash equivalents on deposit with financial institutions, which from time to time may exceed the Federal Deposit Insurance Corporation ("FDIC") limit. The School does not believe that a significant risk of loss due to the failure of a financial institution presently exists. At June 30, 2018 and 2017, approximately \$242,000 and \$193,000 of cash was maintained with an institution in excess of FDIC limits.

### 8. Concentration of Revenue and Support

The School receives a substantial portion of its revenue and support from the Connecticut State Department of Education. For the years ended June 30, 2018 and 2017, the School received approximately 80% and 90% of total revenue and support from the Connecticut State Department of Education. If the charter school laws were modified, reducing or eliminating these revenues, the School's finances could be materially adversely affected.

### 9. Commitments

On June 30, 2015, the School entered into an operating lease agreement with 779 Main State LLC to lease the first and second floor of a building located at 777-779 Main Street in Bridgeport, Connecticut. The lease term commenced on August 19, 2015 and expires on September 30, 2025, with an option to extend the lease for an additional 10 years. Under the terms of the lease, the School paid a security deposit in the amount of \$124,451. The School is responsible for real estate taxes, utilities, custodial services, and maintenance.

On July 1, 2017, the School entered into an operating lease agreement with St. Ambrose Corporation to lease property for the middle school located at 461 Mill Hill Avenue and 1596 Boston Avenue in Bridgeport, Connecticut. The lease term commenced on July 1, 2017 and expires on June 30, 2027, with an option to extend the lease for an additional 3 years. Under the terms of the lease, the School paid a security deposit in the amount of \$20,000. The School is responsible for utilities, custodial services, and maintenance.

Future minimum lease payments are as follows for years ending June 30:

2019	\$	589,631
2020		617,414
2021		580,716
2022		600,700
2023		620,802
Thereafter		<u>3,109,234</u>
	\$	<u>6,118,497</u>

Rent expense for the years ended June 30, 2018 and 2017 was \$692,982 and \$537,737.

## **Capital Preparatory Harbor School**

Notes to Financial Statements  
June 30, 2018 and 2017

### **10. Contingency**

Certain grants and contracts may be subject to audit by the funding sources. Such audits might result in disallowances of costs submitted for reimbursement. Management is of the opinion that such cost disallowances, if any, will not have a material effect on the accompanying financial statements. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

\* \* \* \*



# **Capital Preparatory Harbor School**

State Single Audit Reports and Schedules

June 30, 2018

**Capital Preparatory Harbor School**

Schedule of Expenditures of State Financial Assistance  
Year Ended June 30, 2018

<u>State Grantor / Pass-Through Grantor / Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total State Expenditures</u>
<b>Connecticut Department of Education</b>			
Charter Schools	11000-SDE64000-16119	\$ -	\$ 4,444,000
State School Breakfast Program	11000-SDE64000-17046	-	2,894
Health Foods Initiative	11000-SDE64000-16212	-	2,672
Child Nutrition State Match	11000-SDE64000-16211	-	<u>1,405</u>
Total State Financial Assistance		<u>\$ -</u>	<u>\$ 4,450,971</u>

See independent auditors' report and notes to schedule of expenditures of state financial assistance

## **Capital Preparatory Harbor School**

Notes to Schedule of Expenditures of State Financial Assistance  
Year Ended June 30, 2018

### **1. Basis of Presentation**

The accompanying schedule of expenditures of state financial assistance (the "Schedule") includes the state grant activity of Capital Preparatory Harbor School under programs of the State of Connecticut for the year ended June 30, 2018. A department and agency of the State of Connecticut has provided financial assistance through grants and other authorizations in accordance with the general statutes of the State of Connecticut. Because the Schedule presents only a selected portion of the operations of Capital Preparatory Harbor School, it is not intended to and does not present the financial position, changes in net assets or cash flows of Capital Preparatory Harbor School.

### **2. Summary of Significant Accounting Policies**

The accounting policies of Capital Preparatory Harbor School conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations. The information in the Schedule is presented based on regulations established by the State of Connecticut Office of Policy and Management.

The expenditures reported on the Schedule are presented on the accrual basis of accounting. For cost-reimbursement awards, expenditures have been recognized to the extent of allowable costs incurred. For performance-based awards, expenditures reported represent amounts earned.

**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards**

**Independent Auditors' Report**

**Board of Trustees  
Capital Preparatory Harbor School**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Capital Preparatory Harbor School (the "School"), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 21, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

Harrison, New York  
December 21, 2018

**Report on Compliance for Each Major State Program;  
Report on Internal Control over Compliance; and Report on Schedule of Expenditures of  
State Financial Assistance Required by the State Single Audit Act**

**Independent Auditors' Report**

**Board of Trustees  
Capital Preparatory Harbor School**

**Report on Compliance for Each Major State Program**

We have audited Capital Preparatory Harbor School's (the "School") compliance with the types of compliance requirements described in the Office of Policy and Management *Compliance Supplement* that could have a direct and material effect on each of the School's major state program for the year ended June 30, 2018. The School's major state program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with state statutes, regulations and the terms and conditions of its state awards applicable to its state programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the School's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the School's compliance.

***Opinion on the Major State Program***

In our opinion, the School complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2018.

***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the State Single Audit Act and which is described in the accompanying schedule of findings and questioned costs as item 2018-001. Our opinion on each major state program is not modified with respect to this matter.

The School's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control over Compliance**

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a significant deficiency.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act**

We have audited the financial statements of Capital Preparatory Harbor School, as of and for the year ended June 30, 2018 and have issued our report thereon dated December 21, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

*PKF O'Connor Davies, LLP*

Harrison, New York  
December 21, 2018



**Capital Preparatory Harbor School**

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2018

**I. Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness (es) identified? \_\_\_\_\_ Yes        X   No
- Significant deficiency (ies) identified? \_\_\_\_\_ Yes        X   None reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ Yes        X   No

*State Financial Assistance*

Internal control over major state programs:

- Material weakness (es) identified? \_\_\_\_\_ Yes        X   No
- Significant deficiency (ies) identified?   X   Yes      \_\_\_\_\_ None reported

Type of auditors' report issued on compliance for the major state program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 4-236-24 of the regulations to the State Single Audit Act?   X   Yes      \_\_\_\_\_ No

The following schedule reflects the major state program included in the audit:

<b>State Grantor and Program</b>	<b>State Core-CT Number</b>	<b><u>Expenditures</u></b>
<u>Connecticut Department of Education:</u>		
Charter Schools	11000-SDE64000-16119	\$4,444,000
<ul style="list-style-type: none"> <li>• Dollar threshold used to distinguish between type A and type B programs</li> </ul>		\$200,000

## Capital Preparatory Harbor School

Schedule of Findings and Questioned Costs (*continued*)  
Year Ended June 30, 2018

### II. Financial Statement Findings

During our audit, we noted no material findings for the year ended June 30, 2018.

### III. State Financial Assistance Findings and Questioned Costs

#### Finding 2018-001 (Repeat Finding)

Grantor:	Connecticut Department of Education
State Program Name:	Charter Schools
Pass-through Entity:	None
State Grant Program	
Core-CT Number:	11000-SDE64000-16119

Criteria: Connecticut General Statutes 10-145(a) requires that all teachers, supervisors, administrators, special service staff members or school superintendent employed by the school must possess an appropriate state certificate prior to the first day of employment.

Condition: During fiscal year 2018, the School had employees without proper certification credentials.

Context: The School had 31 covered positions during fiscal year 2018, 11 of which were not properly certified in their content area.

Cause: While the School prioritizes hiring certified staff, there is a lack of diverse and certified teachers available for hire in Connecticut charter schools.

Effect: While the School funds these positions through governmental sources of funds, the State Board of Education may levy fines or withhold state funding.

Recommendation: We recommend that management institute procedures to ensure adequate compliance with C.G.S. 10-145(a).

View of Responsible Officials and planned corrective action: See management corrective action on page 24.

### IV. Prior Financial Statement Findings, State Financial Assistance Findings and Questioned Costs

#### Finding 2017-001

Condition: During fiscal year 2017 the School had employees without proper certification credentials.

Current status: This finding has been repeated as 2018-001.



December 21, 2018

Connecticut Department of Education

**Exhibit A: Management Corrective Action Plan**

**2018-001 – State Certifications**

Each individual who is teaching without appropriate certification has agreed to pursue certification. Each understands that certification (or the equivalent) is required for continued employment. Our school leaders have communicated with these staff members about the importance of pursuing certification and the timelines for doing so.

In addition, the school is providing financial incentives for pursuing certification in that annual salary will be increased upon receipt of certification or the equivalent. We have also made the pursuit of certification (or the maintenance of certification) an explicit job requirement. Finally, the school is funding Relay tuition in full and has used TFA Corps Members to fill positions where appropriate. These alternate routes to certification are being funded by the school in order to maximize the number of certified (or certifiable) staff. Each staff member who is teaching without the appropriate credentials has made a commitment to attain appropriate credentials or authorization via a CSEP. Further, the school has made a commitment to hire certified staff wherever possible.

Please note that the school believes strongly in the importance of providing a diverse teaching staff and that commitment is reflected in the racial makeup of those who serve our students. Notably, the school puts an emphasis on having our returning students from the Capital Prep model serve as role models for our students. We have several former students serving students in the school.

Unfortunately, the applicant pool for charter schools in Connecticut does not have many certified staff at all and lacks certified minority staff. We understand that this is a statewide challenge and have supported legislation to reduce obstacles for minority candidates to attain certification. Given these difficulties that the state faces with minority certified staff, our core value to provide a diverse staff has created an obstacle when we are attempting to meet compliance obligations.

Despite these challenges and the competing interests, the school is clear about the need to incentivize current staff to attain certification or the equivalent and to hire certified staff when vacancy arise.

A handwritten signature in black ink, appearing to read 'Richard C. Beganski Jr.', written over a horizontal line.

Richard Beganski Jr., Superintendent

**Return of Organization Exempt From Income Tax**  
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

**A** For the 2017 calendar year, or tax year beginning **JUL 1, 2017** and ending **JUN 30, 2018**

<b>B</b> Check if applicable:  Address change Name change Initial return Final return/terminated Amended return Application pending	<b>C</b> Name of organization <b>CAPITAL PREP HARBOR SCHOOL INC</b> Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>777 MAIN STREET</b> City or town, state or province, country, and ZIP or foreign postal code <b>BRIDGEPORT, CT 06604</b> <b>F</b> Name and address of principal officer: <b>RICHARDO GRIFFITH</b> <b>SAME AS C ABOVE</b>	<b>D</b> Employer identification number <b>47-3525777</b> <b>E</b> Telephone number <b>475-722-5900</b> <b>G</b> Gross receipts \$ <b>5,251,937.</b> <b>H(a)</b> Is this a group return for subordinates? ..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? Yes No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) 501(c) ( ) (insert no.) 4947(a)(1) or 527		
<b>J</b> Website: ▶ <b>WWW.CAPITALPREPHARBOR.ORG</b>		
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation Trust Association Other ▶		<b>L</b> Year of formation: <b>2014</b> <b>M</b> State of legal domicile: <b>CT</b>

**Part I Summary**

	1	Briefly describe the organization's mission or most significant activities: <b>THE SCHOOL PROVIDES ITS STUDENTS WITH A YEAR-ROUND, COLLEGE PREPARATORY EDUCATION THAT DEVELOPS</b>		
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
Activities & Governance	3	Number of voting members of the governing body (Part VI, line 1a)	3	8
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	8
	5	Total number of individuals employed in calendar year 2017 (Part V, line 2a)	5	57
	6	Total number of volunteers (estimate if necessary)	6	11
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
	7b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.
	Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year
9		Program service revenue (Part VIII, line 2g)	150,853.	638,386.
10		Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,844,250.	4,613,551.
11		Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0.	0.
12		Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	0.	0.
12			2,995,103.	5,251,937.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	1,813,715.	2,986,759.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	16b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0.		
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	1,350,977.	2,344,466.
	18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	3,164,692.	5,331,225.
	19	Revenue less expenses. Subtract line 18 from line 12	-169,589.	-79,288.
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21	Total liabilities (Part X, line 26)	875,276.	1,313,614.
	22	Net assets or fund balances. Subtract line 21 from line 20	556,784.	1,074,410.
	22		318,492.	239,204.

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer <b>RICHARDO GRIFFITH, BOARD CHAIR</b> Type or print name and title	Date			
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>GARRETT M. HIGGINS</b>	Preparer's signature <b>GARRETT M. HIGGINS</b>	Date <b>05/13/19</b>	Check if self-employed <input type="checkbox"/>	PTIN <b>P00543209</b>
	Firm's name ▶ <b>PKF O'CONNOR DAVIES, LLP</b>	Firm's EIN ▶ <b>27-1728945</b>			
	Firm's address ▶ <b>665 FIFTH AVENUE NEW YORK, NY 10022</b>	Phone no. <b>212-286-2600</b>			

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission: THE SCHOOL OPERATES A CHARTER SCHOOL IN BRIDGEPORT CONNECTICUT, PROVIDING ITS STUDENTS WITH A YEAR-ROUND, COLLEGE PREPARATORY EDUCATION THAT DEVELOPS LIFELONG LEARNERS, LEADERS, AND AGENTS OF SOCIAL CHANGE.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

4a (Code: ) (Expenses \$ 4,876,042. including grants of \$ ) (Revenue \$ 4,613,551. ) THE SCHOOL'S PROVIDES ITS STUDENTS WITH A YEAR-ROUND, COLLEGE PREPARATORY EDUCATION THAT DEVELOPS LIFELONG LEARNERS, LEADERS, AND AGENTS OF SOCIAL CHANGE. SERVING AS THE ANCHOR FOR STUDENT DEVELOPMENT, THE SCHOOL'S EDUCATORS PROVIDE AN EDUCATIONAL ENVIRONMENT THAT CREATES OPPORTUNITIES FOR ALL STUDENTS TO REALIZE AND FULFILL THEIR ACADEMIC, SOCIAL, AND CIVIC RESPONSIBILITIES. THE SCHOOL PROVIDED EDUCATION TO APPROXIMATELY 440 STUDENTS IN GRADES KINDERGARTEN THROUGH TWELFTH DURING THE 2017-2018 ACADEMIC YEAR.

4b (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4c (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services (Describe in Schedule O.) (Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses 4,876,042.

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> .....	<input checked="" type="checkbox"/>	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? .....	<input checked="" type="checkbox"/>	
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> .....		<input checked="" type="checkbox"/>
<b>4 Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> .....		<input checked="" type="checkbox"/>
<b>5</b> Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i> .....		<input checked="" type="checkbox"/>
<b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> .....		<input checked="" type="checkbox"/>
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> .....		<input checked="" type="checkbox"/>
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> .....		<input checked="" type="checkbox"/>
<b>9</b> Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> .....		<input checked="" type="checkbox"/>
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> .....		<input checked="" type="checkbox"/>
<b>11</b> If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> .....	<input checked="" type="checkbox"/>	
<b>b</b> Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> .....		<input checked="" type="checkbox"/>
<b>c</b> Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> .....		<input checked="" type="checkbox"/>
<b>d</b> Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> .....	<input checked="" type="checkbox"/>	
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> .....	<input checked="" type="checkbox"/>	
<b>f</b> Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i> .....	<input checked="" type="checkbox"/>	
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> .....	<input checked="" type="checkbox"/>	
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> .....		<input checked="" type="checkbox"/>
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> .....	<input checked="" type="checkbox"/>	
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States? .....		<input checked="" type="checkbox"/>
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i> .....		<input checked="" type="checkbox"/>
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i> .....		<input checked="" type="checkbox"/>
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i> .....		<input checked="" type="checkbox"/>
<b>17</b> Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> .....		<input checked="" type="checkbox"/>
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> .....		<input checked="" type="checkbox"/>
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> .....		<input checked="" type="checkbox"/>

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> .....		X
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? .....		
<b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> .....		X
<b>22</b> Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> .....		X
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> .....	X	
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> .....		X
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....		
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....		
<b>25a</b> <b>Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>26</b> Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i> .....		X
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> .....		X
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> .....		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> .....		X
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> .....		X
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....		X
<b>b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		X
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> .....		X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O .....	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Table with columns for question numbers (1a-14b), Yes/No checkboxes, and numerical responses (e.g., 10, 0, 57, 10a, 10b, 11a, 11b, 12a, 12b, 13a, 13b, 13c, 14a, 14b).



**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
<b>1b</b>	Enter the number of voting members included in line 1a, above, who are independent		
<b>2</b>	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
<b>3</b>	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?	X	
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
<b>6</b>	Did the organization have members or stockholders?		X
<b>7a</b>	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		X
<b>7b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>8a</b>	The governing body?	X	
<b>8b</b>	Each committee with authority to act on behalf of the governing body?		X
<b>9</b>	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
<b>10a</b>	Did the organization have local chapters, branches, or affiliates?		X
<b>10b</b>	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
<b>11b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
<b>12b</b>	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>12c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
<b>13</b>	Did the organization have a written whistleblower policy?	X	
<b>14</b>	Did the organization have a written document retention and destruction policy?	X	
<b>15</b>	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>15a</b>	The organization's CEO, Executive Director, or top management official	X	
<b>15b</b>	Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		X
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
<b>16b</b>	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed **NONE**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website     Another's website     Upon request     Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records: **RICHARDO GRIFFITH - 475-722-5900**  
**777 MAIN STREET, BRIDGEPORT, CT 06604**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) RICHARDO GRIFFITH BOARD CHAIR	1.00	X		X				0.	0.	0.
(2) ROBERT MORTON VICE CHAIR	1.00	X		X				0.	0.	0.
(3) KENNETH MOALES, JR. TREASURER (AFTER 02/2018)	1.00	X		X				0.	0.	0.
(4) SHANTE HANKS TREASURER (THRU 02/2018)	1.00	X		X				0.	0.	0.
(5) GWENDOLYN BRANTLEY SECRETARY (THRU 06/30/2018)	1.00	X		X				0.	0.	0.
(6) NATASHA RIVERS MEMBER (THRU 01/2018)	1.00	X						0.	0.	0.
(7) BEN WALKER MEMBER (THRU 12/2017)	1.00	X						0.	0.	0.
(8) SAMARIS ROSE-SMITH MEMBER	1.00	X						0.	0.	0.
(9) JESSICA MARTINEZ MEMBER	1.00	X						0.	0.	0.
(10) CALVIN JONES MEMBER	1.00	X						0.	0.	0.
(11) CHRISTOPHER ROSARIO MEMBER	1.00	X						0.	0.	0.
(12) RICHARD BEGANSKI PRINCIPAL	60.00			X				128,157.	0.	28,494.
(13) SCOTT WOJNAROWICZ DEAN	40.00					X		108,316.	0.	10,374.

**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
<b>1b Sub-total</b>							236,473.	0.	38,868.	
<b>c Total from continuation sheets to Part VII, Section A</b>							0.	0.	0.	
<b>d Total (add lines 1b and 1c)</b>							236,473.	0.	38,868.	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **2**

	Yes	No
3 Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
CAPITAL PREPARATORY SCHOOLS, INC. 777 MAIN STREET, BRIDGEPORT, CT 06604	MANAGEMENT SERVICES	225,000.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **1**

**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1 a</b> Federated campaigns .....	<b>1a</b>					
	<b>b</b> Membership dues .....	<b>1b</b>					
	<b>c</b> Fundraising events .....	<b>1c</b>					
	<b>d</b> Related organizations .....	<b>1d</b>					
	<b>e</b> Government grants (contributions) .....	<b>1e</b>	404,305.				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above .....	<b>1f</b>	234,081.				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$ .....						
	<b>h Total.</b> Add lines 1a-1f .....			638,386.			
<b>Program Service Revenue</b>	<b>2 a</b> GOV'T PER-PUPIL REV. ....	<b>Business Code</b> 611000	4,613,551.	4,613,551.			
	<b>b</b> .....						
	<b>c</b> .....						
	<b>d</b> .....						
	<b>e</b> .....						
	<b>f</b> All other program service revenue .....						
	<b>g Total.</b> Add lines 2a-2f .....			4,613,551.			
<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts) .....						
	<b>4</b> Income from investment of tax-exempt bond proceeds .....						
	<b>5</b> Royalties .....						
	<b>6 a</b> Gross rents .....	(i) Real	(ii) Personal				
		<b>b</b> Less: rental expenses .....					
		<b>c</b> Rental income or (loss) .....					
		<b>d</b> Net rental income or (loss) .....					
	<b>7 a</b> Gross amount from sales of assets other than inventory .....	(i) Securities	(ii) Other				
		<b>b</b> Less: cost or other basis and sales expenses .....					
		<b>c</b> Gain or (loss) .....					
		<b>d</b> Net gain or (loss) .....					
	<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 .....	<b>a</b>					
		<b>b</b> Less: direct expenses .....	<b>b</b>				
		<b>c</b> Net income or (loss) from fundraising events .....					
	<b>9 a</b> Gross income from gaming activities. See Part IV, line 19 .....	<b>a</b>					
<b>b</b> Less: direct expenses .....		<b>b</b>					
<b>c</b> Net income or (loss) from gaming activities .....							
<b>10 a</b> Gross sales of inventory, less returns and allowances .....	<b>a</b>						
	<b>b</b> Less: cost of goods sold .....	<b>b</b>					
	<b>c</b> Net income or (loss) from sales of inventory .....						
<b>Miscellaneous Revenue</b>		<b>Business Code</b>					
<b>11 a</b> .....							
	<b>b</b> .....						
	<b>c</b> .....						
	<b>d</b> All other revenue .....						
	<b>e Total.</b> Add lines 11a-11d .....						
<b>12 Total revenue.</b> See instructions. ....			5,251,937.	4,613,551.	0.	0.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...				
2 Grants and other assistance to domestic individuals. See Part IV, line 22 .....				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 .....				
4 Benefits paid to or for members .....				
5 Compensation of current officers, directors, trustees, and key employees .....	161,365.	147,934.	13,431.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) .....				
7 Other salaries and wages .....	2,267,089.	2,078,006.	189,083.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	2,065.	1,896.	169.	
9 Other employee benefits .....	375,147.	344,429.	30,718.	
10 Payroll taxes .....	181,093.	166,265.	14,828.	
11 Fees for services (non-employees):				
a Management .....	497,592.	445,345.	52,247.	
b Legal .....	13,801.		13,801.	
c Accounting .....	24,675.		24,675.	
d Lobbying .....				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees .....				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	51,139.	50,719.	420.	
12 Advertising and promotion .....	243.	223.	20.	
13 Office expenses .....	49,296.	32,344.	16,952.	
14 Information technology .....	134,496.	123,484.	11,012.	
15 Royalties .....				
16 Occupancy .....	826,078.	758,439.	67,639.	
17 Travel .....				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings .....				
20 Interest .....				
21 Payments to affiliates .....				
22 Depreciation, depletion, and amortization .....	125,620.	121,958.	3,662.	
23 Insurance .....	44,439.	40,801.	3,638.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <b>STUDENT SUPPLIES/SERVIC</b>	213,935.	213,935.		
b <b>FOOD SERVICE FEES</b>	205,367.	205,367.		
c <b>REPAIRS &amp; MAINTENANCE</b>	153,928.	141,324.	12,604.	
d <b>BAD DEBT</b>	3,472.	3,217.	255.	
e All other expenses	385.	356.	29.	
25 <b>Total functional expenses.</b> Add lines 1 through 24e	5,331,225.	4,876,042.	455,183.	0.
26 <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here  if following SOP 98-2 (ASC 958-720)

**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....	443,310.	<b>1</b>	492,085.
	<b>2</b> Savings and temporary cash investments .....		<b>2</b>	
	<b>3</b> Pledges and grants receivable, net .....	72,497.	<b>3</b>	72,201.
	<b>4</b> Accounts receivable, net .....	6,311.	<b>4</b>	9,443.
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		<b>5</b>	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L .....		<b>6</b>	
	<b>7</b> Notes and loans receivable, net .....		<b>7</b>	
	<b>8</b> Inventories for sale or use .....		<b>8</b>	
	<b>9</b> Prepaid expenses and deferred charges .....	18,043.	<b>9</b>	0.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 831,776.		
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 236,342.	210,664.	<b>10c</b> 595,434.
	<b>11</b> Investments - publicly traded securities .....		<b>11</b>	
	<b>12</b> Investments - other securities. See Part IV, line 11 .....		<b>12</b>	
	<b>13</b> Investments - program-related. See Part IV, line 11 .....		<b>13</b>	
	<b>14</b> Intangible assets .....		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11 .....	124,451.	<b>15</b>	144,451.
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	875,276.	<b>16</b>	1,313,614.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	120,075.	<b>17</b>	273,741.
	<b>18</b> Grants payable .....		<b>18</b>	
	<b>19</b> Deferred revenue .....		<b>19</b>	
	<b>20</b> Tax-exempt bond liabilities .....		<b>20</b>	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		<b>21</b>	
	<b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		<b>24</b>	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....	436,709.	<b>25</b>	800,669.
	<b>26 Total liabilities.</b> Add lines 17 through 25 .....	556,784.	<b>26</b>	1,074,410.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets .....	318,492.	<b>27</b>	239,204.
	<b>28</b> Temporarily restricted net assets .....		<b>28</b>	
	<b>29</b> Permanently restricted net assets .....		<b>29</b>	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds .....		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>32</b>	
<b>33</b> Total net assets or fund balances .....	318,492.	<b>33</b>	239,204.	
<b>34</b> Total liabilities and net assets/fund balances .....	875,276.	<b>34</b>	1,313,614.	

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	5,251,937.
2	Total expenses (must equal Part IX, column (A), line 25)	2	5,331,225.
3	Revenue less expenses. Subtract line 2 from line 1	3	-79,288.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	318,492.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	239,204.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII

- 1 Accounting method used to prepare the Form 990:  Cash  Accrual  Other \_\_\_\_\_  
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant? .....  
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- b Were the organization's financial statements audited by an independent accountant? .....  
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? .....  
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? .....
- b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits .....

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

Form 990 (2017)





**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>4 Total.</b> Add lines 1 through 3 .....						
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						
<b>6 Public support.</b> Subtract line 5 from line 4.						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
<b>7</b> Amounts from line 4 .....						
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>11 Total support.</b> Add lines 7 through 10						
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					12	
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2017 (line 6, column (f) divided by line 11, column (f)) .....	14	%
<b>15</b> Public support percentage from 2016 Schedule A, Part II, line 14 .....	15	%
<b>16a 33 1/3% support test - 2017.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 33 1/3% support test - 2016.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>17a 10% -facts-and-circumstances test - 2017.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 10% -facts-and-circumstances test - 2016.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....		<input type="checkbox"/>

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2017 (line 8, column (f) divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2016 Schedule A, Part III, line 15 .....	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2017 (line 10c, column (f) divided by line 13, column (f)) .....	<b>17</b>	%
<b>18</b> Investment income percentage from 2016 Schedule A, Part III, line 17 .....	<b>18</b>	%

**19a 33 1/3% support tests - 2017.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

**b 33 1/3% support tests - 2016.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

**Part IV Supporting Organizations**

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

	Yes	No
<b>1</b> Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
<b>2</b> Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
<b>3a</b> Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
<b>b</b> Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
<b>c</b> Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
<b>4a</b> Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
<b>b</b> Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
<b>c</b> Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
<b>5a</b> Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
<b>b Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
<b>6</b> Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
<b>7</b> Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>8</b> Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>9a</b> Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
<b>b</b> Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>c</b> Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>10a</b> Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
<b>b</b> Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

**Part IV Supporting Organizations** (continued)

	Yes	No
<b>11</b> Has the organization accepted a gift or contribution from any of the following persons?		
<b>a</b> A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
<b>b</b> A family member of a person described in (a) above?		
<b>c</b> A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI.</i>		

**Section B. Type I Supporting Organizations**

	Yes	No
<b>1</b> Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>		
<b>2</b> Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>		

**Section C. Type II Supporting Organizations**

	Yes	No
<b>1</b> Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>		

**Section D. All Type III Supporting Organizations**

	Yes	No
<b>1</b> Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
<b>2</b> Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
<b>3</b> By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		

**Section E. Type III Functionally Integrated Supporting Organizations**

<b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
<b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
<b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
<b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
<b>2</b> Activities Test. Answer (a) and (b) below.		
<b>a</b> Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>		
<b>b</b> Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>		
<b>3</b> Parent of Supported Organizations. Answer (a) and (b) below.		
<b>a</b> Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>		
<b>b</b> Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations**

- 1  Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI.) **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	<b>Adjusted Net Income</b> (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> claimed for blockage or other factors (explain in detail in <b>Part VI</b> ):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	<b>Minimum Asset Amount</b> (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Schedule A (Form 990 or 990-EZ) 2017

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations** (continued)

Section D - Distributions	Current Year
<b>1</b> Amounts paid to supported organizations to accomplish exempt purposes	
<b>2</b> Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
<b>3</b> Administrative expenses paid to accomplish exempt purposes of supported organizations	
<b>4</b> Amounts paid to acquire exempt-use assets	
<b>5</b> Qualified set-aside amounts (prior IRS approval required)	
<b>6</b> Other distributions (describe in <b>Part VI</b> ). See instructions.	
<b>7 Total annual distributions.</b> Add lines 1 through 6.	
<b>8</b> Distributions to attentive supported organizations to which the organization is responsive (provide details in <b>Part VI</b> ). See instructions.	
<b>9</b> Distributable amount for 2017 from Section C, line 6	
<b>10</b> Line 8 amount divided by line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2017	(iii) Distributable Amount for 2017
<b>1</b> Distributable amount for 2017 from Section C, line 6			
<b>2</b> Underdistributions, if any, for years prior to 2017 (reasonable cause required- explain in <b>Part VI</b> ). See instructions.			
<b>3</b> Excess distributions carryover, if any, to 2017			
<b>a</b>			
<b>b</b> From 2013			
<b>c</b> From 2014			
<b>d</b> From 2015			
<b>e</b> From 2016			
<b>f Total</b> of lines 3a through e			
<b>g</b> Applied to underdistributions of prior years			
<b>h</b> Applied to 2017 distributable amount			
<b>i</b> Carryover from 2012 not applied (see instructions)			
<b>j</b> Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
<b>4</b> Distributions for 2017 from Section D, line 7: \$			
<b>a</b> Applied to underdistributions of prior years			
<b>b</b> Applied to 2017 distributable amount			
<b>c</b> Remainder. Subtract lines 4a and 4b from 4.			
<b>5</b> Remaining underdistributions for years prior to 2017, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>6</b> Remaining underdistributions for 2017. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>7 Excess distributions carryover to 2018.</b> Add lines 3j and 4c.			
<b>8</b> Breakdown of line 7:			
<b>a</b> Excess from 2013			
<b>b</b> Excess from 2014			
<b>c</b> Excess from 2015			
<b>d</b> Excess from 2016			
<b>e</b> Excess from 2017			

Schedule A (Form 990 or 990-EZ) 2017

**Part VI** **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Multiple horizontal lines for supplemental information.

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2017

Open to Public Inspection

Name of the organization: CAPITAL PREP HARBOR SCHOOL INC; Employer identification number: 47-3525777

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate value of contributions, grants, and end of year, and two yes/no questions about donor property and grant fund usage.

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include purpose(s) of conservation easements, a table for lines 2a-2d, and questions about monitoring, expenses, and reporting.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include questions about reporting works of art and assets for financial gain.



**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a  Public exhibition
  - b  Scholarly research
  - c  Preservation for future generations
  - d  Loan or exchange programs
  - e  Other \_\_\_\_\_
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- |                                 | Amount |
|---------------------------------|--------|
| c Beginning balance             | 1c     |
| d Additions during the year     | 1d     |
| e Distributions during the year | 1e     |
| f Ending balance                | 1f     |
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?  Yes  No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

**Part V Endowment Funds.** Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment \_\_\_\_\_%
  - b Permanent endowment \_\_\_\_\_%
  - c Temporarily restricted endowment \_\_\_\_\_%
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- |  | Yes    | No |
|--|--------|----|
| (i) unrelated organizations  | 3a(i)  |    |
| (ii) related organizations   | 3a(ii) |    |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? | 3b     |    |
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		314,417.	39,827.	274,590.
d Equipment		252,051.	128,639.	123,412.
e Other		265,308.	67,876.	197,432.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				595,434.

**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives .....		
(2) Closely-held equity interests .....		
(3) Other .....		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

**Part IX Other Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) SECURITY DEPOSITS	144,451.
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	144,451.

**Part X Other Liabilities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DEFERRED RENT	230,877.
(3) DUE TO CAPITAL PREPARATORY	
(4) SCHOOLS, INC	49,127.
(5) PROMISSORY NOTE - CAPITAL	
(6) PREPARATORY SCHOOLS, INC	520,665.
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	800,669.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	5,576,981.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains (losses) on investments	2a		
b	Donated services and use of facilities	2b	325,044.	
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d	2e	325,044.	
3	Subtract line 2e from line 1	3	5,251,937.	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b	4c	0.	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	5,251,937.	

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	5,656,269.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a	325,044.	
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d	2e	325,044.	
3	Subtract line 2e from line 1	3	5,331,225.	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b	4c	0.	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	5,331,225.	

**Part XIII Supplemental Information.**

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART X, LINE 2:

THE SCHOOL RECOGNIZES THE EFFECT OF INCOME TAX POSITIONS ONLY IF THOSE POSITIONS ARE MORE LIKELY THAN NOT TO BE SUSTAINED. MANAGEMENT HAS DETERMINED THAT THE SCHOOL HAD NO UNCERTAIN TAX POSITIONS THAT WOULD REQUIRE FINANCIAL STATEMENT RECOGNITION OR DISCLOSURE. ALL RETURNS FILED BY THE SCHOOL ARE SUBJECT TO EXAMINATIONS BY THE APPLICABLE TAXING JURISDICTIONS.

**SCHEDULE E**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Schools**

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 13, or Form 990-EZ, Part VI, line 48.
- ▶ Attach to Form 990 or Form 990-EZ.
- ▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2017**

Open to Public Inspection

Name of the organization

**CAPITAL PREP HARBOR SCHOOL INC**

Employer identification number

**47-3525777**

**Part I**

	YES	NO
1 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe. If "No," please explain. If you need more space, use Part II .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<u>AS A PUBLIC SCHOOL, SUBJECT TO OPEN ENROLLMENT, THE CHARTER SCHOOL IS NOT SUBJECT TO THE SPECIFIC GUIDELINES SET FORTH IN REV. PROV. 75-50.</u>		
4 Does the organization maintain the following?		
a Records indicating the racial composition of the student body, faculty, and administrative staff? .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d Copies of all material used by the organization or on its behalf to solicit contributions? .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
If you answered "No" to any of the above, please explain. If you need more space, use Part II. <u>THE SCHOOL IS FREE TO ALL STUDENTS, IT DID NOT AND DOES NOT OFFER SCHOLARSHIPS OR OTHER FINANCIAL ASSISTANCE. HOWEVER IF IT DID, IT WOULD OFFER SAID ASSISTANCE ON A RACIALLY NONDISCRIMINATORY BASIS.</u>		
5 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b Admissions policies? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c Employment of faculty or administrative staff? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d Scholarships or other financial assistance? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e Educational policies? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f Use of facilities? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g Athletic programs? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h Other extracurricular activities? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If you answered "Yes" to any of the above, please explain. If you need more space, use Part II.		
6a Does the organization receive any financial aid or assistance from a governmental agency? .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b Has the organization's right to such aid ever been revoked or suspended? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If you answered "Yes" on either line 6a or line 6b, explain on Part II.		
7 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," explain on Part II .....	<input checked="" type="checkbox"/>	<input type="checkbox"/>

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or Form 990-EZ.

Schedule E (Form 990 or 990-EZ) 2017

**Part II** **Supplemental Information.** Provide the explanations required by Part I, lines 3, 4d, 5h, 6b, and 7, as applicable.

Also provide any other additional information.

**LINE 6 - EXPLANATION OF GOVERNMENT FINANCIAL AID:**

THE SCHOOL RECEIVES PER PUPIL FUNDING FROM THE STATE OF CONNECTICUT DEPARTMENT OF EDUCATION UNDER THEIR CHARTER AGREEMENT. THE SCHOOL ALSO RECEIVES VARIOUS FEDERAL, STATE, AND CITY FUNDS INCLUDING FEDERAL ENTITLEMENTS TO ASSIST WITH COVERING THE COST OF THE STATE SCHOOL BREAKFAST PROGRAM, THE HEALTH FOODS INITIATIVE, AND THE CHILD NUTRITION STATE MARCH.

**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No. 1545-0047

**2017**

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees  
 ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.  
 ▶ Attach to Form 990.  
 ▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

Department of the Treasury  
Internal Revenue Service

Name of the organization: **CAPITAL PREP HARBOR SCHOOL INC**  
 Employer identification number: **47-3525777**

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |  |   |
|--|---|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use    |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence    |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees      |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (such as, maid, chauffeur, chef) |

**b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain .....

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a? .....

**3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- |   |   |
|---|---|
| <input type="checkbox"/> Compensation committee                         | <input type="checkbox"/> Written employment contract                                |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input checked="" type="checkbox"/> Form 990 of other organizations     | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment? ..... **4a**
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? ..... **4b**
- c** Participate in, or receive payment from, an equity-based compensation arrangement? ..... **4c**
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.**

**5** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization? ..... **5a**
- b** Any related organization? ..... **5b**
- If "Yes" on line 5a or 5b, describe in Part III.

**6** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization? ..... **6a**
- b** Any related organization? ..... **6b**
- If "Yes" on line 6a or 6b, describe in Part III.

**7** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III .....

**8** Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III .....

**9** If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? .....

	Yes	No
<b>1b</b>		
<b>2</b>		
<b>4a</b>		<b>X</b>
<b>4b</b>		<b>X</b>
<b>4c</b>		<b>X</b>
<b>5a</b>		<b>X</b>
<b>5b</b>		<b>X</b>
<b>6a</b>		<b>X</b>
<b>6b</b>		<b>X</b>
<b>7</b>		<b>X</b>
<b>8</b>		<b>X</b>
<b>9</b>		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2017

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

**Note:** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) RICHARD BEGANSKI PRINCIPAL	(i)	128,157.	0.	0.	0.	28,494.	156,651.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

**Part III Supplemental Information**

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 3:

CSBM (CHARTER SCHOOL BUSINESS MANAGEMENT) PERFORMED A SALARY COMPARISON STUDY OF SCHOOL DISTRICTS AND CHARTER ORGANIZATIONS TO DETERMINE COMPARABLE COMPENSATION LEVELS, INCLUDING ORGANIZATIONS SUCH AS ACHIEVEMENTS FIRST, BRIDGEPORT PUBLIC SCHOOLS, NYC DOE AND STARTFORD PUBLIC SCHOOLS.



**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2017**

Open to Public  
Inspection

Name of the organization

CAPITAL PREP HARBOR SCHOOL INC

Employer identification number

47-3525777

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

LIFELONG LEARNERS, LEADERS, AND AGENTS OF SOCIAL CHANGE.

FORM 990, PART VI, SECTION A, LINE 3:

THE SCHOOL ENTERED INTO A SERVICE AGREEMENT WITH CAPITAL PREPARATORY  
SCHOOLS, INC., A CONNECTICUT, NON-STOCK CORPORATION, TO UNDERTAKE, ON ITS  
BEHALF, FUNCTIONS IN REGARDS TO BUSINESS, ADMINISTRATIVE, AND ACADEMIC  
SERVICES OF THE SCHOOL. FOR THE PERIOD FROM JULY 1, 2017 TO JUNE 30, 2018,  
THE SCHOOL INCURRED \$497,592 IN MANAGEMENT FEES.

FORM 990, PART VI, SECTION A, LINE 8B:

THE BOARD ACTED AS A WHOLE ON ALL MATTERS AND NO COMMITTEE WAS APPOINTED  
DURING THE FISCAL YEAR.

FORM 990, PART VI, SECTION B, LINE 11B:

CAPITAL PREP HARBOR SCHOOL, INC. HAS ITS FORM 990 PREPARED BY AN OUTSIDE  
ACCOUNTING FIRM AND HAS ESTABLISHED THE FOLLOWING REVIEW PROCESS TO ENSURE  
THAT THE INFORMATION REPORTED IS COMPLETE AND ACCURATE. WHEN THE FORM 990  
HAS BEEN PREPARED, REVIEWED BY MANAGEMENT AND IS READY TO BE FILED WITH THE  
INTERNAL REVENUE SERVICE, IT IS ELECTRONICALLY SENT TO THE BOARD MEMBERS OF  
THE ORGANIZATION FOR ANY COMMENTS. ANY COMMENTS ARE THEN GROUPED,  
SUMMARIZED AND PROVIDED TO THE OUTSIDE ACCOUNTANTS. EACH ISSUE IS  
DOCUMENTED AND ADDRESSED UNTIL THE RETURN IS FINALIZED AND APPROVED FOR  
FILING.

FORM 990, PART VI, SECTION B, LINE 12C:

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2017)

732211 09-07-17

Name of the organization

CAPITAL PREP HARBOR SCHOOL INC

Employer identification number

47-3525777

THE SCHOOL SHARES ITS CONFLICT OF INTEREST POLICY WITH BOARD MEMBERS AND OFFICERS AS PART OF THEIR REGULAR MEETINGS. OFFICERS, DIRECTORS, AND KEY EMPLOYEES ARE EXPECTED TO DECLARE IF AT ANY POINT A CONFLICT OF INTEREST ARISES TO THE BOARD OF DIRECTORS. NO DIRECTOR SHALL DISCUSS OR VOTE ON ANY MATTER IN WHICH HE OR SHE HAS OR MAY HAVE A CONFLICT OF INTEREST. ANY DIRECTOR FOR WHOM THERE MAY EXIST A CONFLICT OF INTEREST SHALL REFRAIN FROM DISCUSSION OR VOTE ON ANY SUCH MATTER, AND SHALL NOT BE PHYSICALLY PRESENT IN THE ROOM AT THE TIME ANY VOTE IS TAKEN THEREON. ON AN ANNUAL BASIS, EACH DIRECTOR, OFFICER, AND EMPLOYEE SHALL SUBMIT TO THE SECRETARY A CONFLICT STATEMENT DISCLOSING POTENTIAL CONFLICTS OF INTEREST, IF ANY, ON A FORM PROVIDED BY THE SCHOOL.

FORM 990, PART VI, SECTION B, LINE 15A:

THE ORGANIZATION'S BOARD OF DIRECTORS RETAINED A CONSULTANT TO PRESENT TO THE BOARD OF DIRECTORS WITH COMPARABLE SALARIES OF SIMILAR ORGANIZATIONS FOR A RANGE OF POSITIONS IN THE CHARTER MANAGEMENT ORGANIZATION, TO DETERMINE THE COMPENSATION OF THE ORGANIZATIONS OFFICERS AND KEY EMPLOYEES (IF ANY). THIS PROCESS OCCURRED IN 2018 AND WAS DOCUMENTED IN THE MINUTES OF THE GOVERNING BOARD.

FORM 990, PART VI, SECTION C, LINE 19:

THE ORGANIZATION MAKES ITS FORM 990 AVAILABLE FOR PUBLIC INSPECTION AS REQUIRED UNDER SECTION 6104 OF THE INTERNAL REVENUE CODE. THE RETURN IS POSTED ON GUIDESTAR.ORG. IN ADDITION, THE FINANCIAL STATEMENTS, CONFLICT OF INTEREST POLICY, ARTICLES OF INCORPORATION AND BY-LAWS ARE ALSO AVAILABLE UPON WRITTEN REQUEST AT 777 MAIN STREET, BRIDGEPORT, CT 06604, OR BY CALLING THE ORGANIZATION DIRECTLY AT (475)722-5900.

Name of the organization CAPITAL PREP HARBOR SCHOOL INC	Employer identification number 47-3525777
--	--

FORM 990, PART XII, LINE 2C:

THE CAPITAL PREPARATORY HARBOR SCHOOL, INC. AUDIT COMMITTEE ASSUMES  
 RESPONSIBILITY FOR THE OVERSIGHT OF THE AUDIT OF ITS FINANCIAL  
 STATEMENTS AND SELECTION OF ITS INDEPENDENT AUDITOR. THE PROCESS DID  
 NOT CHANGE FROM PRIOR YEAR.

# Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

**A** For the 2017 calendar year, or tax year beginning **JUL 1, 2017** and ending **JUN 30, 2018**

<b>B</b> Check if applicable:  <input checked="" type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>CAPITAL PREPARATORY SCHOOLS, INC.</b> Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>777 MAIN STREET</b> City or town, state or province, country, and ZIP or foreign postal code <b>BRIDGEPORT, CT 06608</b> <b>F</b> Name and address of principal officer: <b>DR. STEPHEN PERRY</b> <b>SAME AS C ABOVE</b>	<b>D</b> Employer identification number <b>43-4669846</b> <b>E</b> Telephone number <b>917-838-3684</b> <b>G</b> Gross receipts \$ <b>2,306,709.</b> <b>H(a)</b> Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
<b>J</b> Website: ▶ <b>WWW.WEARECAPITALPREP.ORG</b>		
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		
<b>L</b> Year of formation: <b>2012</b> <b>M</b> State of legal domicile: <b>CT</b>		

**Part I Summary**

	<b>1</b> Briefly describe the organization's mission or most significant activities: <b>TO PROVIDE ALL STUDENTS ACCESS TO A HIGH QUALITY EDUCATION BY FACILITATING AND SUPPORTING THE</b>			
Activities & Governance	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.			
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>		<b>4</b>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>		<b>4</b>
	<b>5</b> Total number of individuals employed in calendar year 2017 (Part V, line 2a)	<b>5</b>		<b>13</b>
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>		<b>4</b>
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>		<b>0.</b>
	<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>		<b>0.</b>
Revenue	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b>	<b>Current Year</b>	
		<b>1,965,486.</b>	<b>1,327,820.</b>	
	<b>9</b> Program service revenue (Part VIII, line 2g)	<b>504,051.</b>	<b>978,889.</b>	
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>0.</b>	<b>0.</b>	
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>0.</b>	<b>0.</b>	
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>2,469,537.</b>	<b>2,306,709.</b>	
Expenses	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>0.</b>	<b>225,000.</b>	
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	<b>0.</b>	<b>0.</b>	
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>720,558.</b>	<b>972,200.</b>	
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	<b>0.</b>	<b>0.</b>	
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>69,876.</b>			
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	<b>622,273.</b>	<b>445,049.</b>	
	<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>1,342,831.</b>	<b>1,642,249.</b>	
	<b>19</b> Revenue less expenses. Subtract line 18 from line 12	<b>1,126,706.</b>	<b>664,460.</b>	
Net Assets or Fund Balances	<b>20</b> Total assets (Part X, line 16)	<b>Beginning of Current Year</b>	<b>End of Year</b>	
		<b>1,535,306.</b>	<b>2,990,873.</b>	
	<b>21</b> Total liabilities (Part X, line 26)	<b>238,981.</b>	<b>1,030,088.</b>	
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	<b>1,296,325.</b>	<b>1,960,785.</b>	

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer 	Date	<b>5-14-19</b>
	<b>DR. STEPHEN PERRY, CHIEF EXECUTIVE OFFICER</b> Type or print name and title		

<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>GARRETT M. HIGGINS</b>	Preparer's signature <b>GARRETT M. HIGGINS</b>	Date <b>05/14/19</b>	Check if self-employed <input type="checkbox"/>	PTIN <b>P00543209</b>
	Firm's name ▶ <b>PKF O'CONNOR DAVIES, LLP</b>	Firm's EIN ▶ <b>27-1728945</b>			
	Firm's address ▶ <b>665 FIFTH AVENUE NEW YORK, NY 10022</b>	Phone no. <b>212-286-2600</b>			

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

# Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.  
▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

**A** For the 2017 calendar year, or tax year beginning **JUL 1, 2017** and ending **JUN 30, 2018**

<b>B</b> Check if applicable:  <input checked="" type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>CAPITAL PREPARATORY SCHOOLS, INC.</b> Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite <b>777 MAIN STREET</b> City or town, state or province, country, and ZIP or foreign postal code <b>BRIDGEPORT, CT 06608</b> <b>F</b> Name and address of principal officer: <b>DR. STEPHEN PERRY</b> <b>SAME AS C ABOVE</b>	<b>D</b> Employer identification number <b>43-4669846</b>  <b>E</b> Telephone number <b>917-838-3684</b>  <b>G</b> Gross receipts \$ <b>2,306,709.</b> <b>H(a)</b> Is this a group return for subordinates? ..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) <b>H(c)</b> Group exemption number ▶
<b>I</b> Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
<b>J</b> Website: ▶ <b>WWW.WEARECAPITALPREP.ORG</b>		
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L</b> Year of formation: <b>2012</b>
		<b>M</b> State of legal domicile: <b>CT</b>

**Part I Summary**

	<b>1</b>	Briefly describe the organization's mission or most significant activities: <b>TO PROVIDE ALL STUDENTS ACCESS TO A HIGH QUALITY EDUCATION BY FACILITATING AND SUPPORTING THE</b>		
	<b>2</b>	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
<b>Activities &amp; Governance</b>	<b>3</b>	Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>4</b>
	<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>4</b>
	<b>5</b>	Total number of individuals employed in calendar year 2017 (Part V, line 2a)	<b>5</b>	<b>13</b>
	<b>6</b>	Total number of volunteers (estimate if necessary)	<b>6</b>	<b>4</b>
	<b>7a</b>	Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<b>0.</b>
	<b>7b</b>	Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	<b>0.</b>
	<b>Revenue</b>	<b>8</b>	Contributions and grants (Part VIII, line 1h)	<b>1,965,486.</b>
<b>9</b>		Program service revenue (Part VIII, line 2g)	<b>504,051.</b>	<b>978,889.</b>
<b>10</b>		Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<b>0.</b>	<b>0.</b>
<b>11</b>		Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>0.</b>	<b>0.</b>
<b>12</b>		Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>2,469,537.</b>	<b>2,306,709.</b>
<b>Expenses</b>		<b>13</b>	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>0.</b>
	<b>14</b>	Benefits paid to or for members (Part IX, column (A), line 4)	<b>0.</b>	<b>0.</b>
	<b>15</b>	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>720,558.</b>	<b>972,200.</b>
	<b>16a</b>	Professional fundraising fees (Part IX, column (A), line 11e)	<b>0.</b>	<b>0.</b>
	<b>b</b>	Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>69,876.</b>		
	<b>17</b>	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	<b>622,273.</b>	<b>445,049.</b>
	<b>18</b>	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>1,342,831.</b>	<b>1,642,249.</b>
	<b>19</b>	Revenue less expenses. Subtract line 18 from line 12	<b>1,126,706.</b>	<b>664,460.</b>
<b>Net Assets or Fund Balances</b>	<b>20</b>	Total assets (Part X, line 16)	<b>1,535,306.</b>	<b>2,990,873.</b>
	<b>21</b>	Total liabilities (Part X, line 26)	<b>238,981.</b>	<b>1,030,088.</b>
	<b>22</b>	Net assets or fund balances. Subtract line 21 from line 20	<b>1,296,325.</b>	<b>1,960,785.</b>

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer <b>DR. STEPHEN PERRY, CHIEF EXECUTIVE OFFICER</b> Type or print name and title	Date
<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>GARRETT M. HIGGINS</b>	Preparer's signature <b>GARRETT M. HIGGINS</b>
	Date <b>05/14/19</b>	Check if self-employed <input type="checkbox"/> PTIN <b>P00543209</b>
	Firm's name ▶ <b>PKF O'CONNOR DAVIES, LLP</b>	Firm's EIN ▶ <b>27-1728945</b>
	Firm's address ▶ <b>665 FIFTH AVENUE NEW YORK, NY 10022</b>	Phone no. <b>212-286-2600</b>

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission: TO PROVIDE ALL STUDENTS ACCESS TO A HIGH QUALITY EDUCATION BY FACILITATING AND SUPPORTING THE CREATION, OPERATION, AND MANAGEMENT OF INNOVATIVE AND EFFECTIVE SCHOOL MODELS.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

4a (Code: ) (Expenses \$ 1,051,833. including grants of \$ 225,000. ) (Revenue \$ 978,889. ) THE ORGANIZATION HAS ENTERED INTO SERVICE AGREEMENTS TO PROVIDE HIGH QUALITY CHARTER SCHOOL MANAGEMENT TO TWO CHARTER SCHOOLS.

4b (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4c (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services (Describe in Schedule O.) (Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses 1,051,833.

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> .....	<b>X</b>	
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? .....	<b>X</b>	
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> .....		<b>X</b>
<b>4 Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> .....		<b>X</b>
<b>5</b> Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i> .....		<b>X</b>
<b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> .....		<b>X</b>
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> .....		<b>X</b>
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> .....		<b>X</b>
<b>9</b> Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> .....		<b>X</b>
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> .....		<b>X</b>
<b>11</b> If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> .....	<b>X</b>	
<b>b</b> Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> .....		<b>X</b>
<b>c</b> Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> .....	<b>X</b>	
<b>d</b> Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> .....	<b>X</b>	
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> .....		<b>X</b>
<b>f</b> Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i> .....	<b>X</b>	
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> .....	<b>X</b>	
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> .....		<b>X</b>
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> .....		<b>X</b>
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States? .....		<b>X</b>
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i> .....		<b>X</b>
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i> .....		<b>X</b>
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i> .....		<b>X</b>
<b>17</b> Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> .....		<b>X</b>
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> .....		<b>X</b>
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> .....		<b>X</b>

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> .....		X
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? .....		
<b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> .....	X	
<b>22</b> Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> .....		X
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> .....	X	
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> .....		X
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....		
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....		
<b>25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>26</b> Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i> .....		X
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> .....		X
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> .....		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> .....		X
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> .....		X
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....		X
<b>b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		
<b>36 Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		X
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> .....		X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O .....	X	



Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Main form table with columns for question numbers (1a-14b), Yes/No checkboxes, and numerical input fields. Includes questions about Form 1096, Form W-2G, Form W-3, and various tax compliance requirements.

**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
	<b>1a</b> 4		
<b>b</b>	Enter the number of voting members included in line 1a, above, who are independent		
	<b>1b</b> 4		
<b>2</b>	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	X	
<b>3</b>	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
<b>6</b>	Did the organization have members or stockholders?		X
<b>7a</b>	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		X
<b>b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b>	The governing body?	X	
<b>b</b>	Each committee with authority to act on behalf of the governing body?		X
<b>9</b>	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
<b>10a</b>	Did the organization have local chapters, branches, or affiliates?		X
<b>b</b>	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
<b>10b</b>			
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
<b>b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
<b>b</b>	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
<b>12c</b>			
<b>13</b>	Did the organization have a written whistleblower policy?		X
<b>14</b>	Did the organization have a written document retention and destruction policy?	X	
<b>15</b>	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>a</b>	The organization's CEO, Executive Director, or top management official	X	
<b>b</b>	Other officers or key employees of the organization	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
<b>b</b>	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		
<b>16b</b>			

**Section C. Disclosure**

- 17** List the states with which a copy of this Form 990 is required to be filed **▶ NY**
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website  Another's website  Upon request  Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records: **▶**  
**JOAN MASSEY - 917-838-3684**  
**777 MAIN STREET, BRIDGEPORT, CT 06608**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) LISA BUFFINGTON CHAIRPERSON/SECRETARY	1.00	X		X				0.	0.	0.
(2) ROBERT TYNDALL VICE PRESIDENT/TREASURER	1.00	X		X				0.	0.	0.
(3) BRENNAN BROWN BOARD MEMBER	1.00	X						0.	0.	0.
(4) IRA RUBENSTAL BOARD MEMBER	1.00	X						0.	0.	0.
(5) JOAN MASSEY PRESIDENT	50.00			X				152,250.	0.	16,026.
(6) DR. STEPHEN PERRY CHIEF EXECUTIVE OFFICER	50.00			X				152,250.	0.	146.
(7) JILL CUTLER-HODGMAN CHIEF OPERATING OFFICER	50.00			X				71,009.	0.	14,147.
(8) PAULA ALTIERI, CHIEF FINANCIAL OFFICER (AS OF 1/2018)	50.00			X				0.	0.	0.
(9) TAMMY CASSILE ASSISTANT SUPERINTENDENT	50.00			X				137,025.	0.	13,638.

**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
<b>1b Sub-total</b> .....							512,534.	0.	43,957.	
<b>c Total from continuation sheets to Part VII, Section A</b> .....							0.	0.	0.	
<b>d Total (add lines 1b and 1c)</b> .....							512,534.	0.	43,957.	

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **3**

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> .....		X
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> .....	X	
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> .....		X

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
NONE		

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	<b>1 a</b> Federated campaigns .....	<b>1a</b>					
	<b>b</b> Membership dues .....	<b>1b</b>					
	<b>c</b> Fundraising events .....	<b>1c</b>					
	<b>d</b> Related organizations .....	<b>1d</b>					
	<b>e</b> Government grants (contributions) .....	<b>1e</b>					
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above .....	<b>1f</b>	1,327,820.				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$ .....						
	<b>h Total.</b> Add lines 1a-1f .....		1,327,820.				
Program Service Revenue	<b>2 a</b> <b>MANAGEMENT FEES</b> .....	<b>Business Code</b> 611110	978,889.	978,889.			
	<b>b</b> .....						
	<b>c</b> .....						
	<b>d</b> .....						
	<b>e</b> .....						
	<b>f</b> All other program service revenue .....						
	<b>g Total.</b> Add lines 2a-2f .....		978,889.				
Other Revenue	<b>3</b> Investment income (including dividends, interest, and other similar amounts) .....						
	<b>4</b> Income from investment of tax-exempt bond proceeds .....						
	<b>5</b> Royalties .....						
	<b>6 a</b> Gross rents .....	(i) Real	(ii) Personal				
		<b>b</b> Less: rental expenses .....					
		<b>c</b> Rental income or (loss) .....					
		<b>d</b> Net rental income or (loss) .....					
	<b>7 a</b> Gross amount from sales of assets other than inventory .....	(i) Securities	(ii) Other				
		<b>b</b> Less: cost or other basis and sales expenses .....					
		<b>c</b> Gain or (loss) .....					
		<b>d</b> Net gain or (loss) .....					
	<b>8 a</b> Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 .....	<b>a</b>					
		<b>b</b> Less: direct expenses .....	<b>b</b>				
		<b>c</b> Net income or (loss) from fundraising events .....					
	<b>9 a</b> Gross income from gaming activities. See Part IV, line 19 .....	<b>a</b>					
<b>b</b> Less: direct expenses .....		<b>b</b>					
<b>c</b> Net income or (loss) from gaming activities .....							
<b>10 a</b> Gross sales of inventory, less returns and allowances .....	<b>a</b>						
	<b>b</b> Less: cost of goods sold .....	<b>b</b>					
	<b>c</b> Net income or (loss) from sales of inventory .....						
Miscellaneous Revenue		<b>Business Code</b>					
<b>11 a</b> .....							
	<b>b</b> .....						
	<b>c</b> .....						
	<b>d</b> All other revenue .....						
	<b>e Total.</b> Add lines 11a-11d .....						
<b>12 Total revenue.</b> See instructions. ....			2,306,709.	978,889.	0.	0.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...	225,000.	225,000.		
2 Grants and other assistance to domestic individuals. See Part IV, line 22 .....				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16 .....				
4 Benefits paid to or for members .....				
5 Compensation of current officers, directors, trustees, and key employees .....	716,970.	412,128.	253,551.	51,291.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) .....				
7 Other salaries and wages .....	169,755.	97,579.	59,060.	13,116.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	4,860.	2,794.	1,921.	145.
9 Other employee benefits .....	15,828.	9,098.	6,255.	475.
10 Payroll taxes .....	64,787.	37,240.	25,603.	1,944.
11 Fees for services (non-employees):				
a Management .....				
b Legal .....	18,180.		18,180.	
c Accounting .....	17,557.		17,557.	
d Lobbying .....				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees .....				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch. O.)	136,376.	31,169.	104,621.	586.
12 Advertising and promotion .....	32,521.	29,269.	3,252.	
13 Office expenses .....	10,625.	6,110.	4,196.	319.
14 Information technology .....	15,768.	9,064.	6,231.	473.
15 Royalties .....				
16 Occupancy .....				
17 Travel .....	22,912.	13,170.	9,055.	687.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings .....				
20 Interest .....				
21 Payments to affiliates .....				
22 Depreciation, depletion, and amortization .....	1,458.	838.	576.	44.
23 Insurance .....	18,238.	10,484.	7,207.	547.
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <b>PROFESSIONAL DEVELOPMENTS</b> .....	110,162.	110,162.		
b <b>SPONSORSHIP AND OTHER SERVICES</b> .....	52,966.	52,966.		
c <b>FURNISHINGS</b> .....	5,128.	2,948.	2,026.	154.
d <b>REPAIRS AND MAINTENANCE</b> .....	3,158.	1,814.	1,249.	95.
e All other expenses .....				
25 <b>Total functional expenses.</b> Add lines 1 through 24e	1,642,249.	1,051,833.	520,540.	69,876.
26 <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here  if following SOP 98-2 (ASC 958-720)

**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....	1,153,882.	<b>1</b>	2,292,745.
	<b>2</b> Savings and temporary cash investments .....		<b>2</b>	
	<b>3</b> Pledges and grants receivable, net .....		<b>3</b>	
	<b>4</b> Accounts receivable, net .....		<b>4</b>	
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		<b>5</b>	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L .....		<b>6</b>	
	<b>7</b> Notes and loans receivable, net .....		<b>7</b>	
	<b>8</b> Inventories for sale or use .....		<b>8</b>	
	<b>9</b> Prepaid expenses and deferred charges .....	19,005.	<b>9</b>	10,253.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 5,248.		
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 1,458.	<b>10c</b> 0.	3,790.
	<b>11</b> Investments - publicly traded securities .....		<b>11</b>	
	<b>12</b> Investments - other securities. See Part IV, line 11 .....		<b>12</b>	
	<b>13</b> Investments - program-related. See Part IV, line 11 .....		<b>13</b>	520,665.
	<b>14</b> Intangible assets .....		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11 .....	362,419.	<b>15</b>	163,420.
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	1,535,306.	<b>16</b>	2,990,873.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	38,981.	<b>17</b>	30,088.
	<b>18</b> Grants payable .....		<b>18</b>	
	<b>19</b> Deferred revenue .....	200,000.	<b>19</b>	1,000,000.
	<b>20</b> Tax-exempt bond liabilities .....		<b>20</b>	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		<b>21</b>	
	<b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		<b>24</b>	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....		<b>25</b>	
	<b>26 Total liabilities.</b> Add lines 17 through 25 .....	238,981.	<b>26</b>	1,030,088.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets .....	1,296,325.	<b>27</b>	1,460,785.
	<b>28</b> Temporarily restricted net assets .....		<b>28</b>	500,000.
	<b>29</b> Permanently restricted net assets .....		<b>29</b>	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds .....		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>32</b>	
<b>33</b> Total net assets or fund balances .....	1,296,325.	<b>33</b>	1,960,785.	
<b>34</b> Total liabilities and net assets/fund balances .....	1,535,306.	<b>34</b>	2,990,873.	

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	2,306,709.
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,642,249.
3	Revenue less expenses. Subtract line 2 from line 1	3	664,460.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1,296,325.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	1,960,785.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII

- 1 Accounting method used to prepare the Form 990:  Cash  Accrual  Other \_\_\_\_\_  
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant? .....  
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- b Were the organization's financial statements audited by an independent accountant? .....  
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? .....  
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? .....
- b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits .....

	Yes	No
2a		X
2b	X	
2c		X
3a		X
3b		

Form 990 (2017)



**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

OMB No. 1545-0047

**2017**

Open to Public Inspection

Name of the organization **CAPITAL PREPARATORY SCHOOLS, INC.** Employer identification number **43-4669846**

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 12, check only one box.)

- 1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2  A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E (Form 990 or 990-EZ).)
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8  A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9  An agricultural research organization described in **section 170(b)(1)(A)(ix)** operated in conjunction with a land-grant college or university or a non-land-grant college of agriculture (see instructions). Enter the name, city, and state of the college or university: \_\_\_\_\_
- 10  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 11  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**
- 12  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2).** See **section 509(a)(3).** Check the box in lines 12a through 12d that describes the type of supporting organization and complete lines 12e, 12f, and 12g.
  - a  **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
  - b  **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
  - c  **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
  - d  **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
  - e  Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
  - f Enter the number of supported organizations .....
- g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-10 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
<b>Total</b>						

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....	225,000.	576,500.	450,000.	1965486.	1327820.	4544806.
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>4 Total.</b> Add lines 1 through 3 .....	225,000.	576,500.	450,000.	1965486.	1327820.	4544806.
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						3820520.
<b>6 Public support.</b> Subtract line 5 from line 4.						724,286.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
<b>7</b> Amounts from line 4 .....	225,000.	576,500.	450,000.	1965486.	1327820.	4544806.
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....						
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>11 Total support.</b> Add lines 7 through 10						4544806.
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					12	1,756,840.
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> .....						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2017 (line 6, column (f) divided by line 11, column (f)) .....	<b>14</b>	15.94 %
<b>15</b> Public support percentage from 2016 Schedule A, Part II, line 14 .....	<b>15</b>	%
<b>16a 33 1/3% support test - 2017.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>b 33 1/3% support test - 2016.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>17a 10% -facts-and-circumstances test - 2017.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input checked="" type="checkbox"/>
<b>b 10% -facts-and-circumstances test - 2016.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....		<input type="checkbox"/>
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....		<input type="checkbox"/>

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2013	(b) 2014	(c) 2015	(d) 2016	(e) 2017	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.) .....						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2017 (line 8, column (f) divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2016 Schedule A, Part III, line 15 .....	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2017 (line 10c, column (f) divided by line 13, column (f)) .....	<b>17</b>	%
<b>18</b> Investment income percentage from 2016 Schedule A, Part III, line 17 .....	<b>18</b>	%

**19a 33 1/3% support tests - 2017.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

**b 33 1/3% support tests - 2016.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

**Part IV Supporting Organizations**

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

**Section A. All Supporting Organizations**

	Yes	No
<b>1</b> Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
<b>2</b> Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
<b>3a</b> Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
<b>b</b> Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
<b>c</b> Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
<b>4a</b> Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
<b>b</b> Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
<b>c</b> Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
<b>5a</b> Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
<b>b</b> <b>Type I or Type II only.</b> Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
<b>c</b> <b>Substitutions only.</b> Was the substitution the result of an event beyond the organization's control?		
<b>6</b> Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
<b>7</b> Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>8</b> Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
<b>9a</b> Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
<b>b</b> Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>c</b> Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
<b>10a</b> Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
<b>b</b> Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

**Part IV Supporting Organizations** (continued)

	Yes	No
<b>11</b> Has the organization accepted a gift or contribution from any of the following persons?		
<b>a</b> A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
<b>b</b> A family member of a person described in (a) above?		
<b>c</b> A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI.</i>		

**Section B. Type I Supporting Organizations**

	Yes	No
<b>1</b> Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>		
<b>2</b> Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>		

**Section C. Type II Supporting Organizations**

	Yes	No
<b>1</b> Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>		

**Section D. All Type III Supporting Organizations**

	Yes	No
<b>1</b> Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
<b>2</b> Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
<b>3</b> By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		

**Section E. Type III Functionally Integrated Supporting Organizations**

<b>1</b> Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
<b>a</b> <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
<b>b</b> <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
<b>c</b> <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
<b>2</b> Activities Test. Answer (a) and (b) below.		
<b>a</b> Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>		
<b>b</b> Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>		
<b>3</b> Parent of Supported Organizations. Answer (a) and (b) below.		
<b>a</b> Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>		
<b>b</b> Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations**

1  Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI.) **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

<b>Section A - Adjusted Net Income</b>		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	<b>Adjusted Net Income</b> (subtract lines 5, 6, and 7 from line 4)	8	

<b>Section B - Minimum Asset Amount</b>		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	<b>Total</b> (add lines 1a, 1b, and 1c)	1d	
e	<b>Discount</b> claimed for blockage or other factors (explain in detail in <b>Part VI</b> ):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035	6	
7	Recoveries of prior-year distributions	7	
8	<b>Minimum Asset Amount</b> (add line 7 to line 6)	8	

<b>Section C - Distributable Amount</b>			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3	4	
5	Income tax imposed in prior year	5	
6	<b>Distributable Amount.</b> Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

**Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations** (continued)

<b>Section D - Distributions</b>	<b>Current Year</b>
<b>1</b> Amounts paid to supported organizations to accomplish exempt purposes	
<b>2</b> Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
<b>3</b> Administrative expenses paid to accomplish exempt purposes of supported organizations	
<b>4</b> Amounts paid to acquire exempt-use assets	
<b>5</b> Qualified set-aside amounts (prior IRS approval required)	
<b>6</b> Other distributions (describe in <b>Part VI</b> ). See instructions.	
<b>7 Total annual distributions.</b> Add lines 1 through 6.	
<b>8</b> Distributions to attentive supported organizations to which the organization is responsive (provide details in <b>Part VI</b> ). See instructions.	
<b>9</b> Distributable amount for 2017 from Section C, line 6	
<b>10</b> Line 8 amount divided by line 9 amount	

<b>Section E - Distribution Allocations (see instructions)</b>	<b>(i) Excess Distributions</b>	<b>(ii) Underdistributions Pre-2017</b>	<b>(iii) Distributable Amount for 2017</b>
<b>1</b> Distributable amount for 2017 from Section C, line 6			
<b>2</b> Underdistributions, if any, for years prior to 2017 (reasonable cause required- explain in <b>Part VI</b> ). See instructions.			
<b>3</b> Excess distributions carryover, if any, to 2017			
<b>a</b>			
<b>b</b> From 2013			
<b>c</b> From 2014			
<b>d</b> From 2015			
<b>e</b> From 2016			
<b>f Total</b> of lines 3a through e			
<b>g</b> Applied to underdistributions of prior years			
<b>h</b> Applied to 2017 distributable amount			
<b>i</b> Carryover from 2012 not applied (see instructions)			
<b>j</b> Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
<b>4</b> Distributions for 2017 from Section D, line 7: \$			
<b>a</b> Applied to underdistributions of prior years			
<b>b</b> Applied to 2017 distributable amount			
<b>c</b> Remainder. Subtract lines 4a and 4b from 4.			
<b>5</b> Remaining underdistributions for years prior to 2017, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>6</b> Remaining underdistributions for 2017. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in <b>Part VI</b> . See instructions.			
<b>7 Excess distributions carryover to 2018.</b> Add lines 3j and 4c.			
<b>8</b> Breakdown of line 7:			
<b>a</b> Excess from 2013			
<b>b</b> Excess from 2014			
<b>c</b> Excess from 2015			
<b>d</b> Excess from 2016			
<b>e</b> Excess from 2017			

**Part VI** **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

**PART II, SECTION C, LINE 17A, FACTS AND CIRCUMSTANCES TEST:**

CAPITAL PREPARATORY SCHOOLS, INC. PUBLIC SUPPORT PERCENTAGE FOR 2017 IS 15.94%, UP FROM 12.51% FOR 2016. CAPITAL PREPARATORY SCHOOLS, INC. ATTRACTS NEW AND ADDITIONAL PUBLIC SUPPORT ON A CONTINUOUS BASIS AND WE HAVE INDEED RECEIVED BROAD SUPPORT FROM AN ARRAY OF SOURCES. EVERY YEAR, THE ORGANIZATION IS INCREASING THE NUMBER OF CONTRIBUTIONS IT RECEIVES FROM NEW CONTRIBUTORS. OUR MISSION IS TO RAISE FUNDS AND PROVIDE ALL STUDENTS ACCESS TO A HIGH QUALITY EDUCATION BY FACILITATING AND SUPPORTING THE CREATION, OPERATION AND MANAGEMENT OF INNOVATIVE AND EFFECTIVE SCHOOL MODELS. CAPITAL PREPARATORY SCHOOLS, INC. WORKS WITH AND HAS ENTERED INTO MANAGEMENT AGREEMENTS WITH TWO HIGH QUALITY CHARTER SCHOOLS. AS MORE STUDENTS ENROLL IN THE CAPITAL PREPARATORY SCHOOLS, INC. NETWORK OF SCHOOLS, THE SCHOOL IS EXPECTING TO BROADEN ITS CONTRIBUTIONS AND ATTRACT NEW DONORS. THERE IS AN ADDITIONAL CAPITAL PREPARATORY SCHOOL EXPECTED TO OPEN IN 2020 THAT WILL DRIVE UP RECOGNITION AND PUBLICITY, AND WILL ALSO ATTRACT NEW POTENTIAL DONORS AND CONTRIBUTORS.

THE ORGANIZATION HAS BEEN IN EXISTENCE SINCE 2012 AND BEGAN WITH A LIMITED RANGE OF CONTRIBUTORS. THROUGHOUT THE YEARS, THE SCHOOLS HAVE ATTRACTED MORE ATTENTION AND INCREASED ATTENDANCE, WHICH HAS LED TO AN INCREASE IN CONTRIBUTORS FROM NEW CONTRIBUTORS. CAPITAL PREPARATORY SCHOOLS, INC. IS ALSO BROADENING ITS BOARD OF DIRECTORS AND IS EXPECTING THE BROADENED SCOPE OF THE BOARD TO BRING IN NEW CONTRIBUTORS. DUE TO THE FACT THAT CAPITAL PREPARATORY SCHOOLS, INC. HAS NOT BEEN IN EXISTENCE FOR A LONG PERIOD OF TIME, THE SCHOOL'S RECOGNITION IS SLOWLY INCREASING AND WILL EVENTUALLY BE AT A POINT WHERE THE SUPPORTER AND ALUMNI BASE WILL BE LARGE ENOUGH TO HAVE A BROAD CONTRIBUTOR BASE. THE CURRENT AND POTENTIAL



**Part VI Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

SUPPORTERS OF THE ORGANIZATION GIVE BECAUSE CARE AND RECOGNIZE THE IMPORTANCE OF THE ORGANIZATIONS AND THE SCHOOLS MISSION AND THEY RESPECT THE QUALITY OF EDUCATION THE CAPITAL PREPARATORY SCHOOLS, INC. NETWORK PROVIDES.

BECAUSE OUR MISSION IS TO INCREASE THE QUALITY OF EDUCATION OF HISTORICALLY DISADVANTAGED KIDS AND THE NEED FOR HIGH QUALITY CHARTER SCHOOLS IS INCREASING, IT IS NECESSARY TO SOLICIT SIZEABLE GRANTS WHERE POSSIBLE, IN ADDITION TO THE SMALLER GIFTS WE RECEIVE FROM THE LOCAL COMMUNITY. IN 2016, WE ALSO RECEIVED A LARGE DONATION FROM DONOR OF \$1,300,000 FOR THE FURTHERANCE OF OUR MISSION. THIS GIFT WAS HIGHLY UNUSUAL IN TERMS OF THE AMOUNT AS ALL PRIOR YEARS, THE DONOR HAS DONATED SIGNIFICANTLY LESS. WITHOUT THE UNUSUALLY HIGH DONATION IN 2016, THE ORGANIZATION WOULD BE PASSING THE PUBLIC SUPPORT TEST.

CAPITAL PREPARATORY SCHOOLS, INC.'S BOARD OF DIRECTORS IS COMPRISED OF INDIVIDUALS FROM THE LOCAL COMMUNITY WITH WIDELY VARYING BACKGROUNDS WHO ARE KEENLY INTERESTED IN EDUCATION, IN SUPPORTING THE MISSION OF THE ORGANIZATION, AND WHO CARE ABOUT ITS SUCCESS IN MEETING THE GOALS OF ITS MISSION. THE SECTORS REPRESENTED BY THE BOARD INCLUDE BUSINESS, EDUCATION, PHILANTHROPY AND ARTS. MANY OF THE MEMBERS OF THE BOARD ALSO SERVE ON THE BOARDS OF HIGHLY REGARDED NON-PROFIT INSTITUTIONS.

CAPITAL PREPARATORY SCHOOLS, INC. IS GAINING IN VISIBILITY AND RECOGNITION WITH NEW PUBLIC CONTRIBUTORS IN 2017. IN 2018, WE RECEIVED A LARGE CONTRIBUTION AND SUPPORT FROM A WELL-KNOWN CELEBRITY, AND IN 2020 WE WILL BE LAUNCHING A NEW SCHOOL IN NEW YORK CITY. WE ARE LOOKING FORWARD TO

**Part VI Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

REACHING ATTRACTING NEW DONORS AND MAKING THE PUBLIC MORE AWARE OF OUR HIGH QUALITY CHARTER SCHOOLS. OUR GOAL IS TO FURTHER OUR MISSION OF PROVIDE ALL STUDENTS ACCESS TO A HIGH QUALITY EDUCATION AND WE EXPECT TO SEE NEW SUPPORTERS IN THE FUTURE.

PART II, SECTION A:  
IN 2015 THE ORGANIZATION CHANGED ITS ACCOUNTING PERIOD FROM 12/31 TO 6/30 YEAR END. THE BELOW CHART CLARIFIES THE INFORMATION REPRESENTED IN PART II:

- COLUMN (A) - CALENDAR YEAR ENDED 12/31/2014
- COLUMN (B) - SHORT YEAR ENDED 6/30/2015
- COLUMN (C) - FISCAL YEAR ENDED 6/30/2016
- COLUMN (D) - FISCAL YEAR ENDED 6/30/2017
- COLUMN (E) - FISCAL YEAR ENDED 6/30/2018

**SCHEDULE D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**  
▶ **Attach to Form 990.**

▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.**

OMB No. 1545-0047

**2017**  
**Open to Public Inspection**

**Name of the organization** CAPITAL PREPARATORY SCHOOLS, INC. **Employer identification number** 43-4669846

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year .....		
2 Aggregate value of contributions to (during year) .....		
3 Aggregate value of grants from (during year) .....		
4 Aggregate value at end of year .....		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? .....	Yes	No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? .....	Yes	No

**Part II Conservation Easements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).  
 Preservation of land for public use (e.g., recreation or education)  Preservation of a historically important land area  
 Protection of natural habitat  Preservation of a certified historic structure  
 Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register .....	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? .....  Yes  No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? .....  Yes  No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1 ..... ▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X ..... ▶ \$ \_\_\_\_\_

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenue included on Form 990, Part VIII, line 1 ..... ▶ \$ \_\_\_\_\_

b Assets included in Form 990, Part X ..... ▶ \$ \_\_\_\_\_

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**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d  Loan or exchange programs
- e  Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?  Yes  No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII \_\_\_\_\_

**Part V Endowment Funds.** Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a Board designated or quasi-endowment  \_\_\_\_\_ %
- b Permanent endowment  \_\_\_\_\_ %
- c Temporarily restricted endowment  \_\_\_\_\_ %

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations \_\_\_\_\_
- (ii) related organizations \_\_\_\_\_

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?  Yes  No

4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		5,248.	1,458.	3,790.
e Other				

**Total.** Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)  3,790.

**Part VII Investments - Other Securities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.)		

**Part VIII Investments - Program Related.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) NOTE RECEIVABLE	520,665.	COST
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.)	520,665.	

**Part IX Other Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) DUE FROM CAPITAL PREPARATORY HARBOR SCHOOL	49,127.
(2) DUE FROM CAPITAL PREPARATORY HARLEM SCHOOL	114,293.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.)	163,420.

**Part X Other Liabilities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.)	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

<b>1</b>	Total revenue, gains, and other support per audited financial statements		<b>1</b>	2,306,709.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
<b>a</b>	Net unrealized gains (losses) on investments	<b>2a</b>		
<b>b</b>	Donated services and use of facilities	<b>2b</b>		
<b>c</b>	Recoveries of prior year grants	<b>2c</b>		
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>		
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>		<b>2e</b>	0.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>		<b>3</b>	2,306,709.
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>		
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>		
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>		<b>4c</b>	0.
<b>5</b>	Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.)		<b>5</b>	2,306,709.

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

<b>1</b>	Total expenses and losses per audited financial statements		<b>1</b>	1,642,249.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
<b>a</b>	Donated services and use of facilities	<b>2a</b>		
<b>b</b>	Prior year adjustments	<b>2b</b>		
<b>c</b>	Other losses	<b>2c</b>		
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>		
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>		<b>2e</b>	0.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>		<b>3</b>	1,642,249.
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>		
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>		
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>		<b>4c</b>	0.
<b>5</b>	Total expenses. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18.)		<b>5</b>	1,642,249.

**Part XIII Supplemental Information.**

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART X, LINE 2:

THE ORGANIZATION RECOGNIZES THE EFFECT OF INCOME TAX POSITIONS ONLY IF THOSE POSITIONS ARE MORE LIKELY THAN NOT TO BE SUSTAINED. MANAGEMENT HAS DETERMINED THAT THE ORGANIZATION HAD NO UNCERTAIN TAX POSITIONS THAT WOULD REQUIRE FINANCIAL STATEMENT RECOGNITION OR DISCLOSURE. THE ORGANIZATION IS NO LONGER SUBJECT TO EXAMINATIONS BY THE APPLICABLE TAXING JURISDICTIONS FOR YEARS PRIOR TO JUNE 30, 2015.

**SCHEDULE I  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Grants and Other Assistance to Organizations,  
Governments, and Individuals in the United States**  
Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.

▶ **Attach to Form 990.**

▶ **Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.**

OMB No. 1545-0047

**2017**

**Open to Public  
Inspection**

Name of the organization **CAPITAL PREPARATORY SCHOOLS, INC.** Employer identification number **43-4669846**

**Part I General Information on Grants and Assistance**

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? .....  **Yes**  **No**
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

**Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments.** Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

<b>1 (a)</b> Name and address of organization or government	<b>(b)</b> EIN	<b>(c)</b> IRC section (if applicable)	<b>(d)</b> Amount of cash grant	<b>(e)</b> Amount of non-cash assistance	<b>(f)</b> Method of valuation (book, FMV, appraisal, other)	<b>(g)</b> Description of noncash assistance	<b>(h)</b> Purpose of grant or assistance
CAPITAL PREP HARBOR SCHOOL 777 MAIN STREET BRIDGEPORT, CT 06604	47-3525777	501(C)(3)	225,000.	0.			GENERAL OPERATING ASSISTANCE

**2** Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ..... ▶ 1

**3** Enter total number of other organizations listed in the line 1 table ..... ▶ 0

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Schedule I (Form 990) (2017)

**Part III** Grants and Other Assistance to Domestic Individuals. Complete if the organization answered "Yes" on Form 990, Part IV, line 22.  
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of noncash assistance

**Part IV** Supplemental Information. Provide the information required in Part I, line 2; Part III, column (b); and any other additional information.

PART I, LINE 2:

THE ORGANIZATION MADE A GRANT TO CAPITAL PREPARATORY HARBOR CHARTER SCHOOL.  
 THE GRANT IS USED TO SUPPORT GENERAL OPERATING COSTS. CAPITAL PREPARATORY  
 SCHOOLS, INC. (CPS) IS HIRED AS THE SCHOOLS CMO AND THROUG THE CPS CFO, ALL  
 FUNDING AND EXPENDITURES ARE REVIEWED ON A MONTHLY BASIS, INCLUDING GRANT  
 FUNDING, AND MONTHLY FINANCIAL REPORTS ARE DEVELOPED, REVIEWED AND REPORTED  
 OUT TO THE LEADERSHIP TEAM AND THE BOARD OF TRUSTEES.



**SCHEDULE J  
(Form 990)**

**Compensation Information**

OMB No. 1545-0047

**2017**

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees  
 ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.  
 ▶ Attach to Form 990.  
 ▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

Department of the Treasury  
Internal Revenue Service

Name of the organization: **CAPITAL PREPARATORY SCHOOLS, INC.**  
 Employer identification number: **43-4669846**

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |  |   |
|--|---|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use    |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence    |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees      |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (such as, maid, chauffeur, chef) |

**b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain ..... **1b**

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a? ..... **2**

**3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

<input type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract
<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study
<input checked="" type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee

**4** During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment? ..... **4a**
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? ..... **4b**
- c** Participate in, or receive payment from, an equity-based compensation arrangement? ..... **4c**
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.**

**5** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization? ..... **5a**
- b** Any related organization? ..... **5b**
- If "Yes" on line 5a or 5b, describe in Part III.

**6** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization? ..... **6a**
- b** Any related organization? ..... **6b**
- If "Yes" on line 6a or 6b, describe in Part III.

**7** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III ..... **7**

**8** Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III ..... **8**

**9** If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? ..... **9**

	Yes	No
<b>1b</b>		
<b>2</b>		
<b>4a</b>		<b>X</b>
<b>4b</b>		<b>X</b>
<b>4c</b>		<b>X</b>
<b>5a</b>		<b>X</b>
<b>5b</b>		<b>X</b>
<b>6a</b>		<b>X</b>
<b>6b</b>		<b>X</b>
<b>7</b>		<b>X</b>
<b>8</b>		<b>X</b>
<b>9</b>		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2017

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

**Note:** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) JOAN MASSEY PRESIDENT	(i)	152,250.	0.	0.	2,318.	13,708.	168,276.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) DR. STEPHEN PERRY CHIEF EXECUTIVE OFFICER	(i)	152,250.	0.	0.	0.	146.	152,396.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) TAMMY CASSILE ASSISTANT SUPERINTENDENT	(i)	137,025.	0.	0.	0.	13,638.	150,663.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							



**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2017**

Open to Public  
Inspection

Name of the organization

CAPITAL PREPARATORY SCHOOLS, INC.

Employer identification number

43-4669846

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

CREATION, OPERATION, AND MANAGEMENT OF INNOVATIVE AND EFFECTIVE SCHOOL  
MODELS.

FORM 990, PART VI, SECTION A, LINE 2:

LISA BUFFINGTON AND DONALD CROISETIERE HAVE A FAMILY RELATIONSHIP.

FORM 990, PART VI, SECTION A, LINE 8B:

THE ORGANIZATION HAS NO ACTIVE COMMITTEES AND THE BOARDS ACTS AS A WHOLE.

FORM 990, PART VI, SECTION B, LINE 11B:

FORM 990 IS REVIEWED BY MANAGEMENT AND THE BOARD OF DIRECTORS FOR APPROVAL.  
IF CHANGES ARE REQUIRED, THE ORGANIZATION WILL THEN FORWARD TO THE  
ACCOUNTING FIRM AND A FINAL VERSION WILL BE DISTRIBUTED TO ALL BOARD  
MEMBERS PRIOR TO THE IRS SUBMISSION.

FORM 990, PART VI, SECTION B, LINE 12C:

THE ORGANIZATION SHARES ITS CONFLICT OF INTEREST POLICY WITH BOARD MEMBERS,  
OFFICERS AND KEY EMPLOYEES (IF ANY) ON AN ANNUAL BASIS. OFFICERS,  
DIRECTORS, AND KEY EMPLOYEES ARE EXPECTED TO DECLARE IF AT ANY POINT A  
CONFLICT OF INTEREST ARISES. AFTER DISCLOSURE OF A POTENTIAL CONFLICT, THE  
INDIVIDUAL IN QUESTION MUST RECUSE THEMSELVES FROM VOTING ON THE MATTER.  
SUCH MATTERS INVOLVING THE EXISTENCE OF CONFLICTS OF INTEREST ARE  
DOCUMENTED IN THE MINUTES OF THE GOVERNING BOARD.

FORM 990, PART VI, SECTION B, LINE 15:

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2017)

732211 09-07-17

Name of the organization CAPITAL PREPARATORY SCHOOLS, INC.	Employer identification number 43-4669846
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THE ORGANIZATIONS BOARD OF DIRECTORS RETAINED A CONSULTANT TO PRESENT TO THE BOARD OF DIRECTORS WITH COMPARABLE SALARIES OF SIMILAR ORGANIZATIONS FOR A RANGE OF POSITIONS IN THE CHARTER MANAGEMENT ORGANIZATION, TO DETERMINE AND APPROVE THE COMPENSATION OF THE ORGANIZATIONS OFFICERS AND KEY EMPLOYEES (IF ANY). CSBM (CHARTER SCHOOL BUSINESS MANAGEMENT) PERFORMED A SALARY COMPARISON STUDY OF SCHOOL DISTRICTS AND CHARTER ORGANIZATIONS TO DETERMINE COMPARABLE COMPENSATION LEVELS, INCLUDING ORGANIZATIONS SUCH AS ACHIEVEMENT FIRST, BRIDGEPORT PUBLIC SCHOOLS, NYC DOE AND STRATFOD PUBLIC SCHOOLS. THIS PROCESS LAST OCCURRED IN 2018 AND WAS DOCUMENTED IN THE MINUTES OF THE GOVERNING BOARD.

FORM 990, PART VI, SECTION C, LINE 19:

THE ORGANIZATION MAKES ITS FORM 990 AVAILABLE FOR PUBLIC INSPECTION AS REQUIRED UNDER SECTION 6104 OF THE INTERNAL REVENUE CODE. THE RETURN IS POSTED ON GUIDESTAR.ORG AND OTHER SIMILAR TYPES OF WEBSITES. IN ADDITION, THE FINANCIAL STATEMENTS, CONFLICT OF INTEREST POLICY, ARTICLES OF INCORPORATION AND BY-LAWS ARE ALSO AVAILABLE UPON WRITTEN REQUEST AT 275 MADISON AVENUE, 19TH FLOOR, NEW YORK, NY 10016, OR BY CALLING THE ORGANIZATION DIRECTLY AT (917)838-3684.

FORM 990, PART XII, LINE 2C:

THE ORGANIZATION HAS A FINANCE COMMITTEE THAT IS RESPONSIBLE FOR OVERSIGHT OF THE AUDIT AND SELECTION OF THE INDEPENDENT AUDITOR.